



July 24, 2012

Speaker of the House John Boehner
H-232 the Capitol
Washington, DC 20510

House Minority Leader Nancy Pelosi
H-204 the Capitol
Washington, DC 20510

Dear Speaker Boehner and Minority Leader Pelosi:

As the House of Representatives contemplates tax legislation later this month with consideration of H.R. 8, "The Job Protection and Recession Prevention Act of 2012," the Business Council for Sustainable Energy (BCSE) urges Congress to continue its long-standing support for a broad array of clean energy tax measures to spur investment, create jobs and diversify our nation's energy portfolio to power the U.S. economy. While Members of the 112th Congress have expressed an interest in comprehensive tax reform, the Council believes that until tax reform is enacted that includes a place for clean energy provisions, Congress should continue the federal commitment by extending all expiring, and expired clean energy tax measures.

Furthermore, given the challenging economic environment, BCSE believes Congress should avoid creating any disparity between tax rates that affect U.S. businesses. Instead, it is critical that Congress embrace tax treatment for businesses that helps keep our domestic clean energy economy competitive and growing. For example, we are pleased that H.R. 8 keeps the dividend income distributions for millions of Americans intact, as well as maintains parity with other tax policy such as capital gains tax rates. This ensures both access to capital and provides the foundation to put more Americans to work. Moreover, continuing tax-exempt bonding authority for not-for-profit municipal utilities will ensure continued investments in clean energy infrastructure.

The Business Council for Sustainable Energy (BCSE) is a coalition of companies and trade associations from the energy efficiency, natural gas and renewable energy sectors, and also includes independent electric power producers, investor-owned utilities, public power and commercial end-users. Founded in 1992, the Council advocates for policies that expand the use of commercially-available clean energy technologies, products and services. The coalition's diverse business membership is united around the revitalization of the economy and the creation of a secure and reliable energy future for America.

BCSE underscores the critical role of clean energy tax policy in helping the United States achieve vital economic and energy security objectives. Tax measures are an important part of our energy policy and have been as effective as any state or federal energy policy mechanism in helping to ensure an adequate, reliable, safe, clean supply of energy resources.

Smart federal tax policy has been an effective, efficient tool to encourage private sector investment, reduce costs for consumers and industry, spur technological innovation and enhance the viability and deployment of a variety of clean energy options, while assisting the natural gas, renewable energy and energy efficiency sectors in adding hundreds of thousands of jobs to the U.S. economy.

By way of example, the shale gas revolution that is providing so many benefits across the United States was supported, in part, by federal tax policy; tax credits for investments that make our homes and businesses more energy efficient have helped consumers save money, helped our industries become more competitive, and have successfully stimulated the energy efficiency market; Federal tax policy has helped lower the cost of wind power by more than 90%, provide power to the equivalent of over 12 million American homes, and foster economic development in all 50 states;¹ and as a result of effective tax incentives, the U.S. solar industry grew by 85 percent in Q1 2012 over the first quarter of 2011, currently employs over 100,000 American workers, and the price of a solar panel fell 47 percent since the beginning of 2011.

Continued support for clean energy tax policies is in the best interest of American taxpayers and supports a well-reasoned national energy strategy that improves our economic conditions at home and strengthens America's competitiveness in the global marketplace.

The Council and its members have been gathering input from experts on how clean energy can fit into comprehensive tax reform and the Council is willing to engage in discussions about how to structure comprehensive tax reform, if and when Congress moves legislation in this or a future Congress. However, until comprehensive tax reform is enacted, the Council strongly urges Congress to extend all expiring, and expired, clean energy tax measures in any legislation that it considers this session.

We look forward to constructively working with you as you consider tax policy proposals and H.R. 8 in the coming weeks.

Sincerely,

A handwritten signature in black ink that reads "Lisa Jacobson". The signature is fluid and cursive, with the first name "Lisa" being more prominent than the last name "Jacobson".

Lisa Jacobson, President
Business Council for Sustainable Energy

cc: Members of the House of Representatives

¹ http://www.awea.org/issues/federal_policy/upload/PTC-Fact-Sheet.pdf