



Statement of the Business Council for Sustainable Energy

House Committee on Ways and Means

Hearing on Certain Expiring Tax Provisions

April 26, 2012

As Congress contemplates federal spending decisions and tax policy, the Business Council for Sustainable Energy underscores the critical role that clean energy tax incentives play in helping our nation achieve vital economic and energy security objectives. The Council urges Congress to continue its long-standing support for a broad array of clean energy tax incentives to spur investment, create jobs and diversify our nation's energy portfolio to power the U.S. economy.

The Business Council for Sustainable Energy 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.

Tax incentives can be effective, efficient tools to encourage private sector investment and reduce costs for energy users. Clean energy incentives have spurred technological innovation, enhanced the viability and deployment of a variety of clean energy options, and reduced costs for consumers and industry.

Continued support for clean energy incentives 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. Examples of the ways in which American businesses and consumers use existing provisions of the tax code and other incentives to expand businesses and save money include:

- The Production Tax Credit (PTC) and the Investment Tax Credit (ITC) have been effective tools to keep electricity rates low and encourage development of a wide range of proven clean energy projects, which must play a central role in America's long-term electric energy supply.

- The Section 1603 Treasury Program infuses critical monies into clean energy projects by bypassing a tax equity market paralyzed by the recent economic downturn while creating jobs and building a more competitive U.S. clean energy industry.
- Clean Renewable Energy Bonding Authority (CREB) to ensure comparable tax incentives to customers of public power providers and rural electric cooperatives to employ innovative energy infrastructure investments.
- Tax incentives that lower the cost and risk of exploration and drilling for natural gas to enable the industry to explore new areas for domestic production, which provides consumers and businesses with affordable, secure and clean energy sources.

The 48C competitive tax credit for advanced energy manufacturing was a critical start in helping to increase domestic clean energy manufacturing.

Tax incentives have successfully stimulated the energy efficiency market for items such as high-efficiency appliances, combined heat and power (CHP), improvements to residential and commercial building envelopes, including insulation and windows, as well as new technologies such as fuel cells.

The Council strongly urges Congress to continue the federal commitment to clean energy tax incentives. We look forward to constructively working with you as you consider spending and tax policy proposals this fall.