

## Statements of Support for the Energy Sector Innovation Credit

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### **Bipartisan Policy Center**

BPC Action applauds Reps. Reed (R-NY), Panetta (D-CA) and their bipartisan colleagues for introducing the Energy Sector Innovation Credit Act of 2019. The U.S. needs increased innovation for economic growth, emission reduction, and global competitiveness. This bill is a step towards increasing vital energy innovation and deployment.

Tax provisions designed to benefit specific energy technologies or resources have been part of the U.S. tax code for decades. The Reed bill is notable because it will create technology-neutral production and investment tax credits to incentivize the deployment of “first-of-a-kind” clean energy technologies on the electric grid. Further, this bill includes a natural ramp-down based on total percentage of national electricity generation, thus supporting innovation without fostering dependence on public financial support. The Reed bill will allow federal investment to spur innovation and help to advance the deployment of the technologies of tomorrow.

BPC Action looks forward to working with Congress to pass this important bill on a bipartisan basis and improve the efficient deployment of energy technologies.

### **ClearPath**

“Federal tax incentives have effectively accelerated numerous clean technologies - such as the unconventional gas credit that scaled up shale gas,” said Rich Powell Executive Director, ClearPath Action. “The technology-inclusive approach of the Energy Sector Innovation Credit (ESIC) would leverage market signals, incentivize promising technologies, and automatically phase down as technologies mature. Unlike prior credits that created an uneven playing field for different technologies, ESIC pays out to any technology that can meet specific performance benchmarks, limits market distortion, and avoids picking winners and losers.”

### **Southern Company**

“Southern Company is committed to developing every tool in the innovation toolbox in order to discover new, cost-effective energy technologies that will serve as the key breakthroughs enabling a low-carbon future. The Energy Sector Innovation Credit is one way to improve the economics of new technologies and help expedite their arrival into the market.” -Bryan Anderson, Senior Vice President of Governmental Affairs for Southern Company

### **American Public Power Association**

“The Energy Sector Innovation Credit Act is a substantial improvement on how energy-related tax credits work,” said American Public Power Association President and CEO Sue Kelly.

“Historically, energy-related tax credits – rather than direct grants, loans or other tools – miss the nearly 30 percent of customers served by tax-exempt entities, including public power utilities,” said Ms. Kelly. “But, all Americans can benefit from the Energy Sector Innovation Credit Act, which would allow for the transfer of tax credits to other partners in the project. That makes these tax credits both more effective and more fair.”

The American Public Power Association (APPA) is the voice of not-for-profit, community-owned utilities that power 2,000 towns and cities nationwide. APPA represents public power before the federal government to protect the interests of the more than 49 million people that public power utilities serve, and the 93,000 people they employ. The association advocates and advises on electricity policy, technology, trends, training, and operations with Congress to pass this important bill on a bipartisan basis and improve the efficient deployment of energy technologies.

## **National Rural Electric Cooperative Association**

“By enabling the transfer of energy innovation tax credits to projects that involve electric co-ops, this legislation opens new doors,” said Louis Finkel, NRECA’s senior vice president of Government Relations. “Innovation is the key to the evolving energy landscape. Accessing the tax code is another tool that will allow electric co-ops to deploy new technologies to meet the evolving energy needs of their members and local communities. We thank Representative Reed for his leadership on this issue and encourage swift consideration by Congress.”

## **United States Energy Association**

USEA Executive Director Barry Worthington said: “Any legislation that encourages new energy technology that improves energy delivery, expands access and reduces emissions is a good thing. We applaud Congressman Reed’s effort. “In order to manage increasing global energy demand, U.S. energy abundance, and the transition to a clean energy economy, innovation and competition is necessary. Between the exceptional research and development at our Energy Department’s national laboratories and innovation work in the private sector by many of our members, the United States is already a world leader in innovation while continuing to reduce greenhouse gas emissions.

“Our industry is expected to double our energy services to our customers by midcentury while decarbonizing the energy sector. This is a challenge, and measures like Congressman Reed’s legislation will stimulate energy technology development and help the industry meet that challenge.”

## **Citizens for Responsible Energy Solutions**

“As a world leader in bringing new energy technologies to market, it is critical that the United States maintains its place as a trailblazer for energy innovation,” said CRES Executive Director Heather Reams. “Citizens for Responsible Energy Solutions supports this forward-looking legislation, which will help pave the way for American entrepreneurs in the clean energy sector and cement our country’s competitive edge. Additionally, the legislation allows for increased investments in energy storage technology, which is a critical component for clean energy. We applaud Reps. Reed, Panetta, Suozzi, Schweikert, and Gottheimer for authoring this bill and look forward to working with him to see the Energy Sector Innovation Credit Act become law.”

## **Clean Air Task Force**

“The Energy Sector Innovation Credit would meet a key need for creating a zero carbon energy system by focusing on getting new technologies past the commercialization “valley of death”. We support Representative Reed’s effort to add this approach on top of current US energy policy and commend the bill’s bipartisan co-sponsors, Reps. Reed, Panetta, Suozzi, Schweikert, and Gottheimer for supporting this effort.” Kurt Waltzer, Managing Director, Clean Air Task Force.

## **Energy Storage Association**

CEO Kelly Speakes-Backman’s Statement on the Energy Sector Innovation Credit Act of 2019

“ESA commends Representatives Tom Reed (R-NY), Jimmy Panetta (D-CA), and their bipartisan colleagues for introducing the Energy Sector Innovation Credit Act of 2019, which looks to establish a longer term, technology-neutral tax structure for all emerging energy technologies,” said Kelly Speakes-Backman, CEO of the U.S. Energy Storage Association. “Leveling the playing field for energy storage is a common-sense policy with bipartisan support, and Rep. Reed’s bill is complementary to other efforts in the storage space. The bicameral, bipartisan Energy Storage Incentive and Deployment Act (H.R. 2096) is another such bill which ESA strongly urges Congress to finally pass at its first opportunity in 2020. It would add stand-alone storage to the federal energy Investment Tax Credit (ITC), leveling the playing field immediately as the ITC phases down.”

### **The United States Nuclear Industry Council (USNIC)**

“A technology neutral investment and production tax credit for emerging energy technologies is an idea whose time has come. An all-of-the-above approach to tax policy including advanced nuclear energy is pivotal to any hope of a clean energy economy as well as the US’s Geo-strategic interests. The return on investment will be significant in terms of carbon reduction, jobs, exports and competitiveness.” U.S. Nuclear Industry Council

### **National Electrical Contractors Association**

“NECA supports a comprehensive energy policy, and I applaud Reps. Reed, Panetta and the rest of their bipartisan colleagues for initiating this important bill. Modernizing our nation’s energy policy consists of incentivizing clean and renewable energy sources and promoting the development of energy storage technologies. The *Energy Sector Innovation Credit* does just that. By facilitating tax reform that is technology-neutral, cutting-edge technologies will be able to break into the market, creating innovative solutions and resources for Americans. I firmly believe innovation is essential in providing a better experience for both NECA members and the lives and communities they empower every single day.” - The Chief Executive Officer of the National Electrical Contractors Association (NECA), David Long

### **Information Technology and Innovation Foundation**

“The bipartisan Energy Sector Innovation Credit Act of 2019 sponsored by Reps. Reed, Panetta, and their colleagues points the way toward using the tax code to more effectively drive energy innovation. That innovation is desperately needed to strengthen the U.S. economy, reduce the nation’s vulnerability to foreign threats, and tackle environmental challenges like air pollution and climate change.” – David Hart, Senior Fellow ITIF