



National Audubon Society
225 Varick Street, 7th Floor
New York, NY 10014

212.979.3196
www.audubon.org

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The Honorable Richard Neal
Chairman
House Committee on Ways and Means
2309 Rayburn House Office Building
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
House Committee on Ways and Means
1011 Longworth House Office Building
Washington, DC 20515

Dear Chairman Neal and Ranking Member Brady,

As 2019 comes to an end, there are very few opportunities left to make meaningful progress on climate change mitigation. However, there is still opportunity to continue supporting technology that is already working to help drive down greenhouse gas emissions through the extension of clean energy tax incentives.

Since 1905, the National Audubon Society has worked to protect birds and the places they need through advocacy of common-sense, bipartisan solutions to problems that affect birds and people. According to Audubon's new climate report, *Survival by Degrees*, nearly two-thirds of North American birds are vulnerable to extinction if global temperatures exceed 3 degrees Celsius. Outcomes improve, however, for 76 percent of at-risk species if warming is held to 1.5 degrees Celsius. If we are to realize a future that is hospitable for birds and people, we must drastically reduce our emissions before the middle of the century. Much of the clean energy technology needed already exists, but has not been deployed at a great enough scale to meet the challenge. The technology has gotten more affordable as its reach has expanded, becoming cost competitive with fossil fuel-based energy sources, and has created good paying jobs across the country.

Audubon supports tax policy that will incentivize the deployment of technology that lowers greenhouse gas emissions and decarbonizes the economy. Any tax package that makes it through Congress should have agreement from both parties. The following policies are vital to any tax package that passes through Congress this year:

Expanding Eligibility for Energy Storage Technology

Energy storage is critical technology needed to help balance the grid as it moves toward 100% clean energy and hosts a much larger share of renewables. Currently, energy storage is only eligible for the ITC as part of a solar-hybrid project, but should qualify as a standalone technology as part of the extension of the ITC. As an eligible technology under the ITC, storage could benefit in a similar manner as solar energy, experiencing wider deployment, and subsequently lower costs, while making the grid more efficient and resilient.

Extension of the Solar Investment Tax Credit (ITC)

Since the solar ITC was enacted in 2006, the solar industry has grown substantially, creating hundreds of thousands of jobs while simultaneously expanding the US supply of emissions-free energy. The ITC continues to be the most important federal incentive for solar energy development, which must continue to grow at a swift pace to meet the goals of a decarbonized economy. The price of solar energy has already fallen significantly, and will continue to drop as the technology is further deployed. A five-year extension of the ITC would provide certainty for large-scale developers and homeowners installing solar arrays.

Support for Wind Energy

Thanks to the success of the Production Tax Credit (PTC), onshore wind technology has dramatically lowered in price and become relatively widespread, however it still only represents about 6.5% of total US generation. Tax incentives, which expire at the end of 2019, should be extended for wind so that the industry can continue growing its share of emissions-free electricity while remaining cost competitive with other energy types. Support may come in the form of a PTC extension, but special consideration should be given to offshore wind—which is still a relatively nascent technology—and to connectivity issues between wind energy generation and the grid.

Support for Carbon Capture and Sequestration

The section 45Q tax incentive provides a credit for the installation and use of carbon capture technology on power plants and industrial facilities. The value of the credit is higher for carbon that is permanently disposed of in secure geologic storage over carbon that is utilized in enhanced oil recovery (EOR) or the manufacture of other products. These tax incentives are important for ensuring that development of carbon capture technology continues, since the technology is still relatively new, expensive, and untested. If extensions or improvements are made to 45Q, special consideration should be made for permanent carbon sequestration, as this process provides a larger climate benefit and does not profit from the generation of other marketable products.

There are a number of other incentives that may be granted to accelerate the reduction of greenhouse gas emissions in various sectors of the economy. Potential extensions include incentives for energy efficiency, which reduces the demand for electricity while saving consumers money, and zero-emissions vehicles, which continue to be important as transportation has become the largest source of greenhouse gas emissions.

I urge you to prioritize the inclusion of these clean energy tax incentives in any tax extenders package that your committee produces before the end of the year. We must use every opportunity to advance important climate policies this year. Audubon thanks you for your continued leadership on this important issue, and stands ready to be a partner as you and your colleagues fight for meaningful climate mitigation solutions.

Sincerely,

A handwritten signature in black ink, appearing to read "David Yarnold".

David Yarnold
CEO and President
National Audubon Society