

December 10, 2018

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230, The Capitol
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
U.S. Senate
322 Hart Senate Office Building
Washington, DC 20510

Dear Speaker Ryan, Leader Pelosi, Leader McConnell, and Leader Schumer,

As you consider energy tax extenders legislation, we urge you to fix the investment tax credit (“ITC”) in Section 48 and 25 of the tax code regarding energy storage as an eligible technology. There is bipartisan, bicameral support for this common-sense bill, the *Energy Storage Tax Incentive and Deployment Act* (S. 1868 & H.R. 4649), which would ensure a level playing field for energy storage to compete with all other energy resources made eligible for the ITC.

Energy storage systems are critical to modernization of the electric grid and help any generation resource connected to the grid – coal, gas, nuclear, wind, solar, hydro – become more efficient, productive, and competitive. Our companies employ some of the over 90,000 people in the U.S. energy storage industry today and we have significant room to grow.

Without clear statutory rules, we face continuing uncertainty from IRS guidance about the eligibility of energy storage equipment for Section 48 & 25D tax credits when paired with ITC-eligible resources. Additionally, energy storage equipment provides the same services whether it is integrated with ITC-eligible technologies, like solar power, or whether it is paired with other energy resources like natural gas generation, wind power, nuclear plants, hydropower, building systems, or electric grid infrastructure.

If enacted, this language would allow our companies to better obtain financing, scale, create jobs, and become more competitive internationally in the fast-growing global storage market. Clarification of the existing ITC for energy storage, as proposed by S. 1868 and H.R. 4649, would provide greater certainty to investors and businesses. Moreover, all storage technologies—batteries, pumped hydro, compressed air, thermal storage, hydrogen storage, and others—would be eligible for the ITC, ensuring technology neutrality so companies can choose the optimal solution to meet their needs.

More significantly, with the ITC extended earlier this Congress to many other competitor energy technologies, allowing energy storage access to the same ITC is critical to ensure a level playing field across all energy technologies. Secretary of Energy Rick Perry called energy storage the “holy grail” for its transformative impact on the electric system, and exclusion of storage from energy tax credits is a significant oversight that will bias competition among solutions for power system efficiency.

We, the undersigned companies and associations, encourage you to support our companies' capital formation, investment, and jobs in making America's power system more reliable, resilient, and cost-effective with energy storage. We ask you to support inclusion of storage ITC eligibility in forthcoming energy tax extenders legislation.

Sincerely,

Business Associations

Energy Storage Association (ESA)
Solar Energy Industries Association (SEIA)
American Wind Energy Association (AWEA)
National Hydropower Association (NHA)
National Electrical Manufacturers Association (NEMA)
National Electrical Contractors Association (NECA)
Alliance for Industrial Efficiency (AIE)
Advanced Energy Economy (AEE)
American Council on Renewable Energy (ACORE)
California Energy Storage Alliance (CESA)
New York Battery Energy Storage Technology Consortium (NY-BEST)
The Wind Coalition / Advanced Power Alliance
Colorado Solar Electric Industries Association (COSEIA)
Hawaii Solar Energy Association (HSEA)
Northeast Clean Energy Council (NECEC)
Solar Energy Business Association of New England (SEBANE)
Sheet Metal and Air Conditioning Contractors National Association (SMACNA)

Individual Companies

Able Grid Energy Solutions	Convert Solar
Affordable Solar Installations	Coronal Energy
All American Solar Services	Creative Energies
Amber Kinetics	Cypress Creek Renewables
American Diversified Energy	DARE Strategies
Amshore US Wind	Dimension Renewable Energy
Apex Clean Energy	Doosan GridTech
Ascend Analytics	Dynapower
Aztec Solar	E.ON Climate and Renewables
Belvedere Solar Finance	East Point Energy
BlueWave Solar	EDF Renewables North America
Borrego Solar	EDP Renewables
Brenmiller Energy	Electro Plastics
Carolina Solar Energy	Encore Renewable Energy
Cat Creek Energy	Enel Green Power North America
CivicSolar	Enel X North America
Clean Energy Associates	Energy Intelligence Partners
Coffman Engineers	ENGIE North America
Con Edison Battery Storage	EnSync Energy

Eos Energy Storage	Origis Energy
Financial Risk Solutions	Ormat
Fluence	Outshine Energy
Forbes, Fields & Associates	PanelClaw
Force 3 Energy	Pason Power
ForeFront Power	Pattern Energy
Greenleaf Advisors	Peak Clean Energy
Greenlife Energy Solutions	PEP Solar
Hannon Armstrong	Performance Services
Hanwha Q Cells America	Pine Gate Renewables
Hexagon Energy	Pivot Energy
Highview Power	PLEXUS Solutions
Hogan Renewables Technology	Recurrent Energy
Hydrostor	RRC Power & Energy
Hyosung	Saft America
ICL Industrial Products	Saturn Power
IGS Energy	Seminole Financial Services
Independence Solar	SHINE Development Partners
Innogy Renewables US	Siemens Corporation
Intelligent Generation	Solar Design Studio
Inter-Island Solar Supply	Solar Professional Services
Invenergy	Solar Rising
IPPsolar	Solar Source
IPS Solar	Solarponics
Key Capture Energy	Solberg Manufacturing
Lendlease Energy Development	Sollect Energy Development
LG Chem	Southern Current
Lightspring	Standard Solar
Longhorn Solar	Stem
MAP Energy	Sterling & Wilson Power Solutions
Maxwell Technologies	Strata Solar
Mayfield Renewables	Strategen Consulting
MegaWatt Storage Farms	SunDrum Solar
Melink Solar Development	SunEarth
Morse Associates	SunVest Solar
Mortenson	Sunworks International Solar Consulting
MPI Solar	Sustainability Ventures
Namaste Solar	Swinerton
NantEnergy	Team NEO
National Grid	TerraVerde Energy
Nautilus Solar Energy	The Stella Group
NEC Energy Solutions	Tradewind Energy
New England Battery Storage	UET
Nexamp	Vionx Energy
Nextera Energy	Wellhead Electric Company, Inc.
Nuvation Energy	Werner Electric
Onyx Renewables	WGL Energy
Open Road Renewables	ZCF Wind Wall