

December 15, 2017

The Honorable Paul D. Ryan
Speaker of the U.S. House
Washington, DC 20515

The Honorable Nancy Pelosi
U.S. House Democratic Leader
Washington, DC 20515

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

The Honorable Chuck Schumer
U.S. Senate Democratic Leader
Washington, DC 20510

The Honorable Kevin Brady
Chairman
U.S. House Committee on Ways and Means
Washington, DC 20515

The Honorable Richard Neal
Ranking Democratic Member
U.S. House Committee on Ways and Means
Washington, DC 20515

The Honorable Orrin Hatch
Chairman
U.S. Senate Finance Committee
Washington, DC 20510

The Honorable Ron Wyden
Ranking Democratic Member
U.S. Senate Finance Committee
Washington, DC 20510

Dear Speaker Ryan, Democratic Leader Pelosi, Majority Leader McConnell, Democratic Leader Schumer, Chairman Brady, Ranking Member Neal, Chairman Hatch and Ranking Member Wyden:

We have been encouraged by recent statements from senior lawmakers supporting the need to complete an energy-related tax extenders bill this year. We, the undersigned coalition of 37 companies and associations, ask you to clarify that the investment tax credit (“ITC”) in Section 48 of the tax code includes energy storage as an eligible technology. There is bipartisan, bicameral support for the *Energy Storage Tax Incentive and Deployment Act* (S. 1868 and H.R. 4649), and we urge you to clarify this common-sense provision in forthcoming energy-related tax legislation.

While the IRS has previously provided Private Letter Rulings and other administrative guidance on the eligibility of energy storage equipment for Section 48 tax credits, businesses continue to face uncertainty about its application without clear statutory guidance. Additionally, energy storage equipment provides the same critical services whether or not it is integrated with ITC-eligible resources, although ITC eligibility for stand-alone systems is not clear. If enacted, this bill would increase business certainty, expand access to new private investment, and ensure U.S. energy storage companies scale, create jobs, and become more competitive internationally in the global storage market.

Energy storage systems¹ are critical to modernization of the electric grid. The National Governors Association has underscored the multiple benefits of energy storage to save utilities, businesses, and households money while enhancing grid reliability and resilience.² Energy storage systems are also fuel-neutral and help any generation resource connected to the grid – coal, gas, nuclear, wind, solar, hydro – become more efficient, productive, and competitive. The energy storage industry supports nearly 70,000 jobs today³ and has significant room to grow.

Clarification of the ITC for energy storage, as proposed by S. 1868 and H.R. 4649, would provide greater certainty to investors, and the credit for energy storage would phase down along with the ITC for other technologies. All storage technologies—batteries, pumped hydro, compressed air, thermal, and others—would be eligible for the ITC, providing a level playing field to ensure the best storage solutions compete.

We represent a diverse group of businesses and organizations that support a wide range of energy storage technologies from across the United States. Our products and services continue to strengthen our electric grid and will lead to additional domestic manufacturing and job growth in the electricity sector. We encourage you to support 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 clarification of storage eligibility for the ITC in energy tax extenders and to share that support vocally with your colleagues and leadership.

Sincerely,

Companies

AES Energy Storage
Ameresco
Advanced Microgrid Systems
Cypress Creek Renewables
Doosan GridTech
Dynapower Company, LLC
EDP Renewables North America LLC
E.ON North America
ENGIE North America
EnSync Energy
Green Charge Networks
Highview Power Storage
Hydrostor
Invenergy

¹ Energy storage technology receives, stores, and delivers energy using batteries, compressed air, pumped hydropower, hydrogen storage, thermal energy storage, regenerative fuel cells, flywheels, capacitors, superconducting magnets, and other technologies.

² National Governors Association, *State Strategies for Advancing the Use of Energy Storage*, October 2016, available at <https://www.nga.org/files/live/sites/NGA/files/pdf/2016/1610StateStrategiesEnergyStorage.pdf>

³ Department of Energy, *U.S. Energy and Employment Report*, January 2017, available at https://www.energy.gov/sites/prod/files/2017/01/f34/2017%20US%20Energy%20and%20Jobs%20Report_0.pdf

Key Capture Energy, Inc.
LG Chem
Maxwell Technologies
Mortenson Construction
Panasonic Corporation of North America
Parker Hannifin
Powin Energy
S&C Electric Company
Stem, Inc.
Sunrun
Sunverge Energy, Inc.
The Enel Group companies:
· Demand Energy Networks, Inc.
· Enel Green Power North America, Inc.
· EnerNOC, Inc.
The Stella Group, Ltd
Yunicos

Associations

Energy Storage Association
California Energy Storage Alliance
ClearPath Action
National Electrical Manufacturers Association
National Electrical Contractors Association
National Hydropower Association
North Carolina Sustainable Energy Association
Northeast Clean Energy Council
New York Battery Energy Storage Technology Consortium

cc: Members of the U.S. House Ways and Means Committee
Members of the U.S. Senate Finance Committee