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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

KOLAN DAVIS, STAFF DIRECTOR AND CHIEF COUNSEL
JOSHUA SHEINKMAN, DEMOCRATIC STAFF DIRECTOR

February 11, 2020

The Honorable Chuck Grassley
Chairman, Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20515

Dear Chairman Grassley:

Despite numerous opportunities, including in the recent tax extenders package, the Finance Committee has failed to take action on the dozens of energy tax proposals pending before it. It is critical that the Committee move to address these issues in a timely manner, along with much-needed policy changes to combat the damage and growing dangers caused by global climate change.

In 2019, the global average temperature was the second highest ever recorded. Recent data from the National Oceanic and Atmospheric Administration (NOAA) showed that the past decade was the hottest ever recorded.¹ America has a long way to go in dealing with climate change, and the human and economic damage it causes. In the western U.S. alone, decreased snowpack, raging wildfires, and increased flooding have caused unprecedented destruction over the past several years.

While American ingenuity is working to meet this challenge, ingenuity alone is not enough. Federal tax incentives, complementary state policies, and declining costs helped nearly double the amount of electricity generated from renewables over the past decade.² This increase, led by exponential growth in electricity generation from wind and solar, helped reduce U.S. greenhouse gas emissions by roughly 12 percent since 2005.³ But the work we have done so far is insufficient. Gaps in the tax code have disadvantaged complementary technologies that could improve climate resiliency and provide additional emissions reductions. While power sector emissions continue to decrease, emissions from transportation, heavy industry, and agriculture have stayed level or increased over the past 10 years. The United States is not on pace to meet its

¹ NOAA, "Global Climate Report," May 2019. See: <https://www.ncdc.noaa.gov/sotc/global/201905>

² Energy Information Administration, "U.S. renewable electricity generation has doubled since 2008," March 19, 2018. See: <https://www.eia.gov/todayinenergy/detail.php?id=38752>

³ Rhodium Group, "Preliminary US Emissions Estimates for 2019," January 7, 2020. See: <https://rhg.com/research/preliminary-us-emissions-2019/>

international climate commitments, to say nothing of the reductions necessary to stave off the worst potential outcomes of global warming.

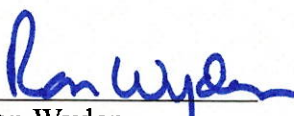
As policy makers, it is our responsibility to craft a policy framework that drives the United States toward sustainable and cost-effective solutions. Energy tax incentives have played a key part in shaping U.S. energy policy for more than 100 years, and members have shown clear interest in re-examining that ongoing role. Sixty-nine Senators, Democrats and Republicans, have sponsored or cosponsored nearly three dozen different energy tax bills, including nineteen bills sponsored by Finance Committee members.

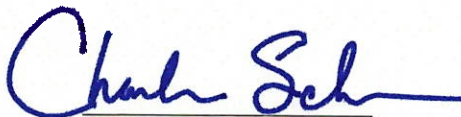
These proposals run the gamut of energy policy, covering electricity, renewable fuels, energy efficiency, fossil fuels, transportation infrastructure, heavy industry, carbon capture, and agriculture. Proposed legislation includes addressing the adoption of electric vehicles, expanding existing provisions to incorporate new technologies like energy storage or nascent industries like offshore wind, and sweeping rewrites of energy tax policy, such as the Clean Energy for America Act.

Despite its crucial policymaking role, the Finance Committee did not hold a single hearing on energy tax policy during the 115th Congress, and has yet to hold one in the 116th. The sole energy tax-related recommendation of the Committee's temporary policy task forces was ignored in the tax extender legislation passed in December 2019, along with nearly all proposals put forward in members' legislation this Congress.

This Committee must fulfill its role in examining members' energy tax proposals and in bolstering our nation's efforts to combat climate change. Therefore, we urge you to swiftly schedule Committee action to address these proposals and ensure our nation's energy tax policies keep up with the changing energy and climate landscape.

Sincerely,


Ron Wyden
Ranking Member

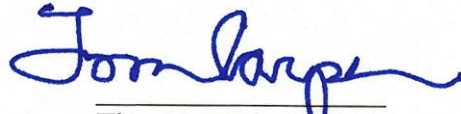

Charles E. Schumer
United States Senator


Debbie Stabenow
United States Senator


Maria Cantwell
United States Senator



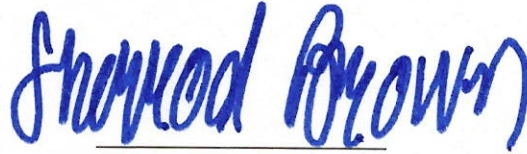
Robert Menendez
United States Senator



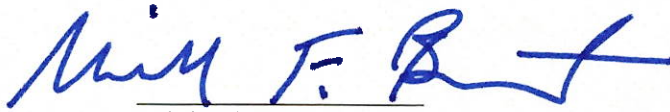
Thomas R. Carper
United States Senator



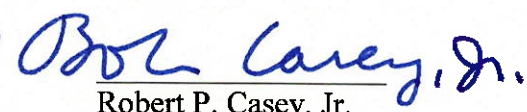
Benjamin L. Cardin
United States Senator



Sherrod Brown
United States Senator



Michael F. Bennet
United States Senator



Robert P. Casey, Jr.
United States Senator



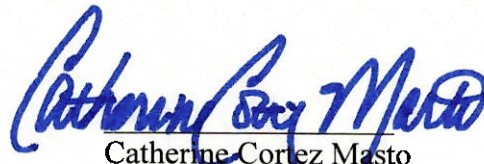
Mark R. Warner
United States Senator



Sheldon Whitehouse
United States Senator



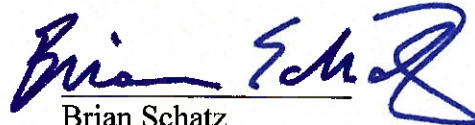
Margaret Wood Hassan
United States Senator



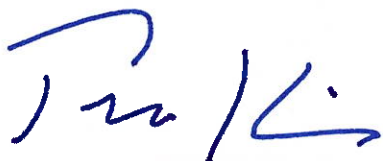
Catherine Cortez Masto
United States Senator



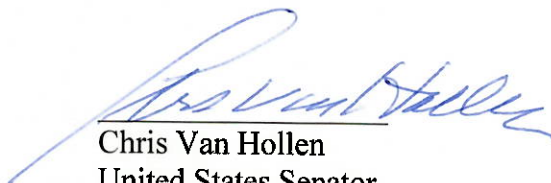
Martin Heinrich
United States Senator



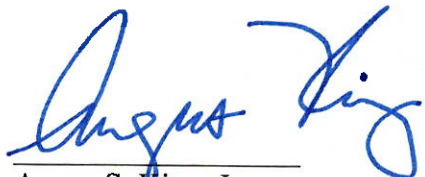
Brian Schatz
United States Senator



Tim Kaine
United States Senator



Chris Van Hollen
United States Senator



Angus S. King, Jr.
United States Senator



Mazie K. Hirono
United States Senator



Richard J. Durbin
United States Senator



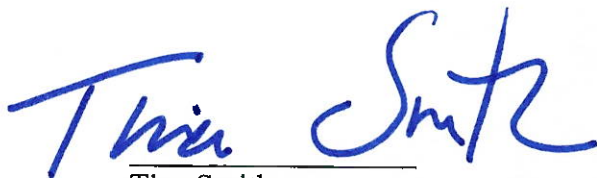
Richard Blumenthal
United States Senator



Gary C. Peters
United States Senator



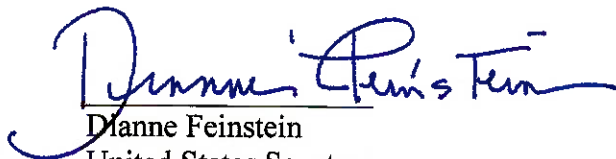
Cory A. Booker
United States Senator



Tina Smith
United States Senator



Amy Klobuchar
United States Senator



Dianne Feinstein
United States Senator