



1211 Connecticut Ave NW, Suite 600 • Washington, DC 20036-2701
202-640-6597 tel • 202-223-5537 fax • www.renewablemarketers.org

October 1, 2014

Senate Committee on Finance
Attn. Editorial and Document Section
Rm. SD-219
Dirksen Senate Office Bldg.
Washington, DC 20510-6200

RE: Comments to be submitted for the record in pursuant to the Committee's September 17 hearing, "Reforming America's Outdated Energy Tax Code."

The Renewable Energy Markets Association (REMA) is a 501(c)(6) nonprofit association dedicated to maintaining and growing strong markets for domestic renewable energy. REMA represents organizations that sell, purchase, or promote renewable energy products, including Renewable Energy Certificates (RECs), retail green power programs, utility green pricing services, and on-site renewable energy solutions. REMA engages in education and advocacy efforts on behalf of renewable energy marketers, utilities, manufacturers, developers, and others in renewable energy markets.

As Senators Wyden and Hatch continue debating tax reform, and particularly as they prepare for the lame duck session, REMA commends them for undertaking a monumental, but necessary, task. In particular, REMA applauds Senator Wyden for his opening statement before the Finance Committee on September 17. In order to create a strong, globally competitive marketplace, it is imperative that the tax code provides clear guidance about how energy resources contribute to that marketplace.

The disparity in how the current tax code treats energy sources and the resulting marketplace uncertainty is harmful to a growing, and diversifying, domestic energy market. As we know, traditional energy sources benefit from permanent tax incentives, while clean energy sources rely on incentives that must be renewed every few years. Though Congress often passes temporary extensions of those incentives, short-term extensions do not provide renewable energy developers the necessary time and market certainty to plan and finance facilities and related manufacturing. Senator Wyden reinforced the idea that reformed tax policy could remove these barriers, stating that "predictable, level-playing-field tax policies could clear the way for America's clean energy sector to thrive at home and outmatch global competitors hungrily eyeing the multi-trillion dollar market for energy goods and services."

REMA also commends the sponsors of the bipartisan Expiring Provisions Improvement Reform and Efficiency Act (EXPIRE Act, S. 2260). REMA believes that the legislation is a good beginning point for comprehensive bipartisan tax reform.

It is to this end that REMA writes the committee. Under current law via the wind production tax credit (PTC), taxpayers can claim a 2.3 cent per kilowatt hour tax credit for wind and other renewable electricity produced for a ten-year period from a facility that has commenced construction by the end of last year. They can also elect to take a 30 percent investment tax credit instead of the production tax credit. REMA notes that the EXPIRE Act extends these provisions through December 31, 2015. While REMA would encourage the committee, Congress, and the president to approve legislation that would make the PTC permanent, thus putting renewable technology on a more level playing field with traditional energy sources and providing greater incentive for market growth, REMA also acknowledges that an extension of any kind is preferable to the current expired state of the credit. Energy project planning, financing, and permitting take time, and so it is critical that the tax code provides clear market signals so that renewable energy developers can take the necessary steps to grow the market.

On behalf of REMA, I thank you for the opportunity to share our perspectives on policies that seek to increase the market for renewable energy applications and technologies.

Respectfully submitted,

A handwritten signature in black ink that reads "Patrick R. Serfass". The signature is written in a cursive, flowing style.

Patrick Serfass
General Manager
Renewable Energy Markets Association
e: pserfass@tcorp.com | p: 202-640-6597