



Colorado Communities  
for Climate Action

PO Box 270444, Louisville CO 80027

December 14, 2017

Honorable Cory Gardner  
United States Senate  
Washington, DC 20510

Dear Senator Gardner:

I am writing on behalf of Colorado Communities for Climate Action (CC4CA) to urge you to do what you can to keep the tax legislation now being considered in Congress from undercutting existing tax laws that promote clean energy. Both the Senate and House versions of the bill include elements that would have that effect, and we ask you to work to keep all of those elements out of the final bill now being developed in a conference committee.

To begin with, we appreciate your leadership in trying to fix one element of the Senate bill, its so-called base erosion anti-abuse tax (BEAT) provision. It would have the perhaps unintended effect of requiring foreign investors to pay a 100 percent tax on money they spend on renewable energy projects in the United States. This obviously would create an insurmountable obstacle to future renewable projects subject to it. Even worse, the change would be made retroactively, undermining projects and investments already underway as well as future ones. We thank you for your efforts to fix this problem.

We also urge you to oppose several elements of the House tax bill that would create other new obstacles to the use of clean energy resources.

First, the House bill would undercut the production tax credit for wind energy projects, by retroactively making some projects ineligible for the credit and by cutting nearly in half the amount of the credit. This would upend a 2015 bipartisan legislative compromise that extended that tax credit for a final five years, on a declining basis each year, after which it would be fully phased out.

Second, the House bill also would end an investment tax credit for geothermal and large-scale solar projects after 2027. Under the same 2015 compromise that provided for a five-year phase-out of the wind energy credit, the current 30 percent solar credit was extended through 2019, then reduced to 10 percent over the next three years – but not eliminated. The 10 percent geothermal credit would also be eliminated.

For both wind energy and large-scale solar projects, preserving the 2015 legislative compromise on the tax credits is important to protect the climate and people's health and to continue job creation and growth in the clean energy sector, increasingly vital to the economies of Colorado and the nation. The Department of Energy reports that jobs in wind energy grew by 32 percent last year, and those in the solar industry grew by 25 percent. The change in the wind energy credit alone would put at risk projects in which the private sector is investing \$50

billion, including \$1.1 billion for a single project in Colorado. Wind energy and large-scale solar projects are among the most important construction projects now underway to reduce heat-trapping emissions, and they should be allowed to proceed under the current law on which the investments in them were based.

Third, the House bill also would repeal the tax credit of up to \$7,500 for the purchase of electric vehicles, effective at the end of this month. Using electricity rather than gasoline or diesel fuel to power vehicles is important to reduce heat-trapping emissions from the transportation sector, which has now overtaken the generation of electricity as the largest source of climate-changing pollution. However, the manufacturing costs of electric vehicles are greater than for comparable conventional vehicles. The tax credit is important to promote the manufacture and sale of more electric vehicles, reducing emissions now and helping to promote the development and deployment of this essential technology. Abruptly ending this tax credit would be a major setback to the future of our climate and of the clean-car industry.

CC4CA recommends that all these provisions be removed or revised to prevent their effect on clean energy actions, and that this be done in the currently pending tax legislation itself, not deferred to a subsequent bill as apparently is under consideration. These provisions are already having adverse effects on clean energy actions by businesses, and could very soon have similar effects on individuals. Enacting any of these provisions now with the hope that they are fixed later would be ill-advised.

For these reasons, Colorado Communities for Climate Action urges you to work to keep these anti-clean energy provisions out of the tax bill.

On behalf of the 15 local governments that are members of CC4CA, I thank you for your consideration of our views.

Sincerely,

A handwritten signature in cursive script that reads "Anita Seitz".

Anita Seitz  
President