

October 29, 2019

The Honorable Mitch McConnell
Senate Majority Leader
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Chuck Schumer
Senate Minority Leader
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker of the House
1236 Longworth HOB
Washington, D.C. 20510

The Honorable Kevin McCarthy
House Minority Leader
2468 Rayburn HOB
Washington, D.C. 20510

Chairman Neal
House Committee on Ways and Means
1102 Longworth HOB
Washington D.C. 20515

Ranking Member Brady
House Committee on Ways and Means
1102 Longworth HOB
Washington D.C. 20515

Chairman Grassley
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Ranking Member Wyden
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Majority Leader McConnell, Minority Leader Schumer, Speaker Pelosi, Minority Leader McCarthy, Chairman Neal, Ranking Member Brady, Chairman Grassley, and Ranking Member Wyden:

As the House and Senate consider options for a renewable energy-related tax package, we write to voice our support for including the bipartisan Financing Our Energy Future Act (S. 1841/H.R.3249). We are a broad group of stakeholders who believe that the Financing Our Energy Future Act, which would modify the tax code to make master limited partnerships (MLPs) available to renewable energy projects and alternative energy technologies, would grow our economy, increase domestic energy production, unleash innovation, create jobs, and reduce greenhouse gas emissions.

A master limited partnership (MLP) is a business structure that is taxed as a partnership at the shareholder level, as opposed to the shareholder and corporate level, and is designed to stimulate domestic energy production. MLPs merge the tax benefits of a traditional limited partnership (single layer of taxation) with the liquidity of a publicly traded company (stock issuance). Access to public equity markets help MLPs to finance large, capital-intensive projects in a cost effective manner. Currently, however, the tax code only makes MLPs available to energy projects that rely on traditional energy resources.

The bipartisan Financing Our Energy Future Act, led by Senators Coons and Moran and Representatives Mike Thompson and Estes and cosponsored by Senators King, Collins, Carper, Murkowski, Heinrich, Ernst, Gardner, Stabenow, Crapo, Bennet, Jones, and Roberts in the Senate and Representatives Welch, Blunt Rochester, Beyer, Suozzi, Sewell, Boyle, and LaHood in the House, would help level the playing field for energy investments and make MLPs available to all sources of domestic energy. The bill opens the MLP structure to renewable energy sources including wind, solar, hydropower, marine and hydrokinetic power, open loop biomass, municipal solid waste, fuel cells, and combined heat and power. The legislation also includes waste-heat-to-power; energy storage; carbon capture, utilization, and storage; renewable chemicals; and energy-efficient buildings. Finally, the legislation allows for a range of transportation fuels to qualify, including cellulosic, biodiesel, and algae-based fuels.

This change to the tax code would spur new private capital investments in renewable energy and a wider range of energy projects and technologies by giving alternative energy businesses the same advantages already given to traditional energy businesses. The bill's changes to the code are permanent, allowing market actors to respond decisively to the incentive, without a need for Congressional extensions, and the bill is affordable, with a cost of \$815 million over ten years. Making MLPs available to renewable energy projects is a practical, market-driven solution that will grow our economy, create jobs, increase our energy security, and reduce greenhouse gas emissions and consequently enjoys broad support from business leaders, investors, think tanks, renewable energy advocates, environmental groups, and lawmakers from both sides of the aisle.

We therefore urge you to support the inclusion of the Financing Our Energy Future Act in a renewable energy tax credit package or other legislative vehicle. Thank you for your consideration of this request.

Sincerely,

ACORE
Advanced Biofuels Business Council
Algae Biomass Organization
Alliance to Save Energy
American Biogas Council
Biotechnology Innovation Organization
BPC Action
Carbon180
Ceres
Clean Air Task Force

Covanta Energy
Energy Infrastructure Council
Environmental and Energy Study Institute
Growth Energy
International District Energy Association
National Association of State Energy Officials
National Wildlife Federation
Natural Resources Defense Council
Northeast Clean Energy Council
Third Way