



December 5, 2017

Speaker Paul Ryan  
U.S. House of Representatives  
H 232 The Capitol  
Washington, D.C. 20515

Rep. Kevin Brady  
Chairman, House Ways and Means Committee  
1102 Longworth House Office Building  
Washington, D.C. 20515

Majority Leader Mitch McConnell  
United States Senate  
S 230 The Capitol  
Washington, D.C. 20510

Senator Orrin Hatch  
Chairman, Senate Finance Committee  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Speaker Ryan, Leader McConnell, Chairman Brady and Chairman Hatch:

As the House and Senate go to conference on H.R. 1, the Tax Cuts and Jobs Act of 2017, I write on behalf of Citizens for Responsible Energy Solutions (CRES) to share our views as an advocate of the clean energy sector, which is a \$200 billion industry in the United States, supporting more than three million American workers. CRES is a right-of-center, non-profit that advances clean energy through market-friendly, fiscally responsible solutions that grow jobs, strengthen the economy, and preserve our environment.

First, CRES applauds the House and Senate for passing tax legislation that dramatically reduces the corporate tax rate and allows for 100 percent expensing. These provisions will ensure that U.S.-based firms are more competitive internationally and will fast-track domestic investment.

However, we have concerns about the following provisions which will undercut the high-growth clean energy sector. Our recommendations to conferees are as follows:

**Fix the Senate's Base Erosion Anti-Abuse Tax (BEAT) provision**

As currently drafted, we have strong concerns about the provisions in the Senate bill that would add more complexity to the existing tax system and potentially subject many planned renewable energy projects to a new 100 percent tax. It will undermine tax equity financing, which is the principal mechanism for monetizing credits. Its retroactive application undermines commitments made in good faith by investors and developers, and will dramatically reduce American wind and solar energy investment and job creation.

**Repeal the corporate Alternative Minimum Tax (AMT)**

We support the House bill's elimination of the corporate AMT. Inclusion of the corporate AMT in the Senate bill undermines the goal of simplifying the tax code. In addition, it would nullify

the value of tax credits retained in other parts of the tax reform bill that are critical to innovation and economic growth, such as the research and development tax credit.

**Retain agreement in current law for Production Tax Credits for renewables sector**

We support the planned phase-out of tax credits for the solar and wind industry, which Congress agreed to on a bipartisan basis in 2015. However, the House-passed bill (Sec. 3501) undermines this agreement by cutting the value of the remaining tax credits going forward, and applying these changes retroactively. We strongly encourage the retention of the current law provisions to ensure near-term business certainty for businesses, communities, and investors that back these energy projects.

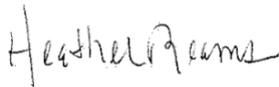
**Retain tax credits in House bill (Sections 3502, 3503, and 3506) that create parity for energy technologies**

The House bill includes tax credits for “orphaned” solar energy, qualified fuel cell, small wind energy property, microturbine, combined heat and power, and thermal energy property (Sec. 3502). Tax credits were also extended for residential energy efficiency property (Sec. 3503) and credits were modified for advanced nuclear power facilities (Sec. 3506). CRES supports the inclusion of these additional clean energy tax credits in the final tax bill.

Citizens for Responsible Energy Solutions congratulates House and Senate Republicans for taking the next step in a process that will strengthen the economy and lower taxes for Americans. We believe that by including our recommended modifications, conferees will further strengthen the new energy economy which will benefit U.S. workers, businesses and consumers.

We appreciate your consideration.

Sincerely,



Heather Reams  
Managing Director

cc: Conferees to H.R. 1