

July 1, 2020

United States House of Representatives
Washington, D.C. 20515

Dear Representative,

On behalf of millions of taxpayers and consumers across the country, the undersigned groups urge Congress to oppose the “Moving Forward Act” (H.R. 2). The legislation’s unnecessary extension of renewable investment and production tax credits would subsidize well-capitalized, politically connected corporations at the expense of struggling households, perpetuating unfair, inefficient Robin Hood-in-reverse policies.

Part of a massive infrastructure push by the Democratic members of the House of Representatives, H.R. 2 would amount to more than \$1.5 trillion in unsustainable federal spending. This brazen giveaway to special interest groups includes extensions for renewable projects through both Investment Tax Credits (ITCs) and Production Tax Credits (PTCs). If adopted, the legislation would extend the ITC for wind and solar projects by five years and allow “green” developers to claim PTCs through 2025. Critically, project developers would be able to receive direct payments from taxpayers instead of the status-quo of relying on equity tax investors.

These tax credit extensions unfairly squander taxpayer funds and undermine a free market in energy. Renewable energy resources – primarily wind and solar – have received subsidies through the tax code since 1979. Through 2018, these tax breaks and payouts have amounted to more than \$100 billion. This amount far exceeds the federal assistance given to other electricity sources and dwarfs the fiscal year 2020 budgets for the Department of Homeland Security, Department of Energy, Department of the Interior, and Environmental Protection Agency.

Backers of these half-baked policies argue that the PTC and ITC must be extended because renewable energy sources exist at a cost disadvantage and need taxpayer support to compete. This cost disadvantage is no longer a reality and “green” technologies no longer need taxpayer support to survive. There’s no compelling economic reason for solar and wind manufacturers to continue benefiting from these generous federal tax credits which offer investors up to 30 percent off of system costs and producers 1¢–2¢ per kilowatt-hour of energy produced (over the first ten years of production). Wind and solar companies are now well capitalized and more than capable of starting large projects without taxpayers’ help.

On the consumer side, federal subsidies for renewables have not worked to lower electricity prices. The ITC and PTC subsidies have lowered out-of-pocket costs for renewable project developers, but these savings have not been passed along to consumers. This lack of savings for electricity consumers shows that renewable tax credits are only serving the bottom lines of renewable energy companies – not the communities they serve.

Continued subsidies will only exacerbate market distortions in the electrical grid while costing taxpayers billions of dollars in lost government revenue. The House of Representatives should act in the interest of the American public and rid the “Moving Forward Act” of ITC and PTC extensions – for the benefit of both electricity markets and American consumers.

Respectfully,

David Williams
President
Taxpayers Protection Alliance

Phil Kerpen
President
American Commitment

Steve Pociask
President / CEO
American Consumer Institute

Brent Wm. Gardner
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Americans for Prosperity

Grover Norquist
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Andrew F. Quinlan
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Jeffrey Mazzella
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