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June 14, 2016

Wyden Hearing Statement on Energy Tax Incentives
As Prepared for Delivery

In my view, there are two parts to the energy debate today. First is where our energy policy needs to go in the long term – a tech-neutral approach that throws the current mishmash of incentives in the trash can, cuts their cost in half, and promotes a clean-energy economy. More green for less green. The second part of the debate is about creating the running room in the short term that makes it possible to achieve that goal for the future. I want to talk about both today, beginning with the short term.

At the end of last year, Democrats and Republicans came together and began to move away from the same old cycle of temporary tax extenders. Congress decided, on a bipartisan basis, that another weeks- or months-long renewal of the renewable energy incentives wasn't good enough. Incentives for wind and solar, which have grown to become major parts of the American energy portfolio, got five years of certainty, and other clean technologies got two. And the result has been dramatic: New solar installations are projected to double this year and for the first time, new solar generation will exceed natural gas.

Here in the short term, let's remember that there's leftover business that needs to be addressed. Certain renewable technologies were left out of last year's package – fuel cells, geothermal and more. The clock is ticking down to another round of expirations at the end of this year. For example, bipartisan legislation on waste-heat-to-energy that passed this committee last year was left out. The sooner Democrats and Republicans come together, take care of these energy extenders and clear the decks, the sooner we can turn to finding a smarter, fresh approach to energy tax policy.

That brings me to the long-term part of this debate. In my view, the key to a new approach on energy policy is going technology-neutral. The system on the books today distorts our energy markets, picks winners and losers, and holds innovators back. That ought to change, and that's why I've put forward a tech-neutral plan that will be radically simpler and more efficient. Gone will be today's web of 44 energy tax breaks. In their place will be three incentives built around simple, clear goals – cleaner energy, cleaner transportation, and energy efficiency. And the price-tag of today's system – \$125 billion every decade – will be cut in half. It's a market-oriented system that will unleash innovators with big ideas.

The Finance Committee is lucky to be joined here today by the heads of two companies that are doing exciting things in the world of renewable energy. With the technology made by Bulk Handling Systems, which is based right in Eugene, Oregon, the waste Americans produce every day can be recycled and turned into energy. Even the trash trucks run on renewable fuel.

Advanced Microgrid Solutions is at the forefront of a technology that has long been overlooked by our tax policies, and that's energy storage. The fact is, the sun doesn't always shine and the wind doesn't always blow. So storage is a must-have.

These are the kinds of 21st century innovations in energy that are either disadvantaged by our outdated policies, or ignored altogether. But with a tech-neutral policy, the unfair market distortions will go away, the incentives will be predictable, and the goals will be clear. The cleaner your energy, the cleaner your transportation fuel, the more efficient your home or office building, the bigger the tax break. That goes for everybody – even the natural gas facility that invests in a highly efficient, next-gen turbine, or an oil company that sets out to make the clean transportation fuels of the future.

The bottom line is that energy in this country is transforming. The threat posed by climate change is growing every day. New technologies are being developed. Innovators see enormous economic opportunity in renewable energy. Our energy tax policies have to keep up. Let's not cling to yesteryear like the naysayers who saw the first automobiles hit the road a century ago and said no, "the horse is here to stay." Let's put policies in place that support those who are at the forefront.

I want to thank our witnesses for being here today. I'm looking forward to a bipartisan discussion of how this committee can lead when it comes to ending the cycle of extenders, and adopting a smart, fresh approach to energy tax policy. Thank you, Chairman Hatch.

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