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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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February 3, 2016

The Honorable Orrin G. Hatch
Chairman, Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20037

Dear Chairman Hatch:

At the end of last year, Congress accomplished something few thought possible: a bipartisan tax and budget deal that provided long-term certainty on a broad array of important tax incentives, including the longest extension of tax credits for wind and solar energy in nearly a decade. Despite this significant achievement on the production tax credit and investment tax credit, there are several other important energy tax provisions that expire at the end of this year that need a greater degree of certainty. It is critical that the Finance Committee move to address these issues in a timely manner, along with much-needed policy changes to combat the growing dangers of global climate change.

Without a doubt, 2015 had by far the highest global average temperature on record. However, America has a long way to go in dealing with climate change and the human and economic damage it is already causing. In the western U.S., decreased snowpack, raging wildfires, and increased flooding have caused unprecedented destruction over the past several years. Meanwhile, experts warn that Miami Beach, Florida will suffer devastating tidal floods that will wreak havoc on large portions of the coastal economy.

Thankfully, American ingenuity is working to meet this challenge through new technologies supported by traditional and sustainable resources. Increased energy generation from distributed resources like rooftop solar is changing the way we think about our electrical grid, while huge deposits of fossil fuels in the Great Plains are helping to lower the cost of natural gas and crude oil. Additionally, electric cars and new forms of biofuels are providing a glimpse of a cleaner future for our transportation system; and improvements in energy efficiency and growth in renewable electricity have helped reduce U.S. greenhouse gas emissions by nearly 15 percent since 2005.

As tax policy makers, it is our responsibility to provide a robust vision for the future of energy policy that drives the United States toward sustainable and cost-effective solutions. Energy tax incentives have been in the tax code for nearly 100 years and have played a key role in shaping

U.S. energy policy. Despite our crucial policymaking role, the Finance Committee has yet to hold a hearing on energy policy during the 114th Congress.

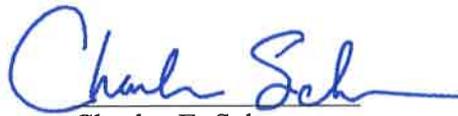
There is clear interest in taking action. Members of the Finance Committee, both Republicans and Democrats, have offered more than a dozen different energy tax bills. Committee members have proposed and overwhelmingly approved several energy tax changes, while several other large climate and energy tax bills have not yet received any consideration.

This Committee should build on the work that has already been done and take action to ensure our nation's energy tax policy helps emerging industries adjust to future changes in the regulatory environment while bolstering the economy, protecting consumers, and combatting climate change. Therefore, as you work to craft the Committee's schedule this year, we urge you to swiftly schedule Committee action to address these challenges and ensure our nation's energy tax policies keep up with the changing energy and climate landscape.

Sincerely,



Ron Wyden
Ranking Member



Charles E. Schumer
United States Senator



Debbie Stabenow
United States Senator



Maria Cantwell
United States Senator



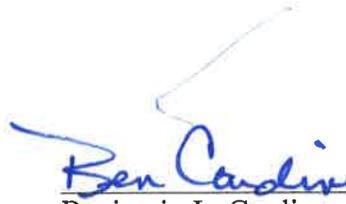
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