October 7, 2013

Senator Dean Heller
361-A Russell Senate Office Building
Washington, DC 20510

Dear Senator Heller,

We are writing to express our support for modifying key clean energy tax credits in order to encourage greater growth and job creation in the clean energy industry in Nevada. The Investment Tax Credit (ITC) is one of the most important federal policy mechanisms driving private sector investment and the deployment of clean energy projects in Nevada and across the country. With a relatively modest adjustment, the ITC can be even more successful.

Federal leadership is needed now to make a common sense adjustment to the ITC that will allow for the full and efficient utilization of this important credit. Earlier this year, the American Taxpayer Relief Act” was enacted. This bill both extended the Sec. 45 Production Tax Credit (PTC) and also allowing a qualifying project to “commence construction” by the end of 2013 in order to be eligible for the PTC. This policy change provides added certainty for the wind industry and other technologies that utilize the PTC.

This is sound policy and we believe the “commence construction” standard should apply to projects that qualify for the ITC, enabling solar, combined heat and power (CHP), fuel cells, and other energy technologies to take advantage of the greater certainty afforded by this improved eligibility standard. “Commence construction” is a superior policy mechanism that allows for the full and efficient utilization of these incentives and ensures continued industry growth and deployment of all clean energy technologies.

This provision acknowledges that the current, rigid “placed in service” definition creates an unnecessary burden for clean energy developers. These projects require multi-year development timelines in order to navigate complex siting, permitting and financing issues – any delay in this process can put the project at risk of not meeting the arbitrary deadline, creating massive uncertainty for project developers and investors alike. Replacing the “placed in service” eligibility standard with “commence construction” for all renewable
energy technologies will provide greater certainty and flexibility and will ultimately result in more clean energy generation and jobs in our state. Also, as a group that cares deeply about Nevada’s environment and natural resources, we believe that this policy allows developers to make siting decisions in a more predictable and thoughtful manner.

Predictable tax policies provide a foundation for renewable energy development and can play an important role in our state’s and our nation’s economic recovery. Applying the “commence construction” standard to the ITC will encourage robust investment and deployment of renewable technologies by affording industry a reliable investment framework within which to operate. The change to “commence construction” provides greater certainty to utilities, communities, developers, and lenders that are willing to invest billions of dollars in our nation’s clean energy infrastructure.

Thank you again for your commitment to clean energy, which continue to help diversify our nation’s energy portfolio, promote competition in the energy markets, grow jobs across the country, and reduce energy prices for American families. We appreciate your consideration of this policy change and stand ready to work with you to move this effort forward.

Warm Regards,

April Mastroluca
Executive Director
Nevada Conservation League