

Madam Chair, I am appearing before the Select Committee on the Climate Crisis to discuss the Energy Sector Innovation Credit Act, as we work in a bipartisan way to ensure future generations have clean air to breathe in and clean water to drink.

For decades, Congress has routinely acted on a bipartisan basis to extend a number of expired or expiring green energy tax provisions. Typically, these extensions would be bundled into a part of a larger spending package or budget deal at the end of the year – oftentimes hurriedly or haphazardly with little thought of whether the industry receiving the tax break was deserving.

I have even pushed for these tax credits in the green energy sector, and I received the Solar Energy Industries Association Solar Champion Award in 2016 for my work in the Ways and Means Committee to ensure solar tax credits did not expire.

However, what I have come to realize is that we hand out these tax extenders with little regard if the industry is using this incentive to boost profits or to actually advance green technology.

This is why I will introduce legislation to offer a tax incentive for new clean energy technologies which would increase energy on the grid, ensure unneeded energy is not financially rewarded, help cutting-edge technologies break into the market and upend the status quo of federal incentives for existing technologies.

How would it work?

The plan ends unlimited, market-distorting extenders for tax incentives and has a built-in ramp down for each technology as it grows. By spurring innovation in the market, we can ensure a clean environment for future generations rather than lining the pockets of established technologies and propping up otherwise uneconomical technologies.

Instead of picking winners and losers in the energy sector, this new tax credit would bolster market-driven innovation across electricity-generating technologies. This means everything from a new power plant which can capture, store or use carbon emissions from fossil fuel generation to facilities using next-generation batteries to store excess power from wind, solar and other renewable sources.

This plan would lead to cleaner power without government mandates or an uncompetitive over-reliance on federal tax credits.

The current market rewards energy whether it is used or not. My bill ensures incentives apply to the value of energy when sold so we do not reward unwanted power.

Both the Republicans on the Ways and Means Committee and bipartisan members of the House are supporting this proposal – not only to help bring an end to the tax extender carousel – but because they know innovation is the only viable long term solution to combat climate change and ensure clean air and water for future generations.