

January 17, 2024

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Mike Crapo
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Jason Smith
Chairman
Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

Dear Chairmen Wyden and Smith, Ranking Members Crapo and Neal,

As you negotiate tax legislation, we urge you to include a transmission investment tax credit (ITC) as part of the final package. Such a tax credit, which was vetted by Chairman Wyden's team and passed the House of Representatives during the 117th Congress, would increase the resilience and reliability of the nation's grid system, unlock the energy capacity needed to power the U.S. economy, and reduce consumer energy costs.

Nearly all aspects of modern life depend on a robust and reliable power grid. Demand for electricity is rapidly rising due to the onshoring of manufacturing, growth of artificial intelligence, and increased use of electric devices at home and at work — and transmission infrastructure is crucial to meet this demand reliably and cost-effectively.¹ Modernizing and expanding transmission could save the typical household hundreds of dollars per year,² and would protect the grid against increasingly frequent extreme weather events and national security risks.³

A transmission tax credit, narrowly tailored to apply to high-capacity, long-distance lines, would provide developers long-term investment certainty when building regionally-significant transmission lines. According to a recent report, a 30% transmission ITC would provide \$2.3 billion in energy cost savings for the lower 80% of income brackets, create over 650,000 good-paying jobs, add 30,000 MW of clean energy capacity to the grid, and deploy more than \$15

¹ Grid Strategies, Addendum: The Era of Flat Power Demand is Over (2023), <https://gridstrategiesllc.com/wp-content/uploads/2023/12/National-Load-Growth-Report-2023-Addendum.pdf>.

² Americans for a Clean Energy Grid, Consumer, Employment, and Environmental Benefits of Electricity Transmission Expansion in the Eastern U.S., (2020), <https://cleanenergygrid.org/wp-content/uploads/2020/11/Consumer-Employment-and-Environmental-Benefits-of-Transmission-Expansion-in-the-Eastern-U.S.pdf>.

³ FERC & NERC, Blackstart and Next-Start Resource Availability in the Texas Interconnection: FERC, NERC and Regional Entity Staff Study (2023), <https://ferc.gov/media/ferc-nerc-regional-entity-joint-blackstart-and-next-start-resource-availability-study-texas>.

billion in private capital investment.⁴ Including a transmission ITC as part of a tax package would be transformative for developers regardless of business model, and the cost reductions it generates would flow through rates, reducing energy prices for customers.

High-capacity transmission is the hardest to build, but generates the greatest regional benefits by providing low-cost, reliable energy when and where the country needs it most. Because there is no more important policy that Congress can enact to achieve that goal, we urge you to include a transmission ITC in the tax package under development.

Signed,
Advanced Power Alliance

Advancing Modern Powerlines Coalition

American Clean Power

American Council on Renewable Energy

Berkshire Hathaway Energy

Ceres

Clean Energy Buyers Association

Clean Energy Grid Action

Clearway Energy Group

CTC Global

Enel North America

energyRe

Grid United

IBEW 1245

Interwest Energy Alliance

⁴ Grid Strategies and American Council on Renewable Energy, Investment Tax Credit for Regionally Significant Electricity Transmission Lines (2021), <https://acore.org/wp-content/uploads/2021/05/Investment-Tax-Credit-for-Regionally-Significant-Electricity-Transmission-Lines-ACORE.pdf>.

Invenergy

National Electric Manufacturers Association

National Wildlife Federation

Natural Resources Defense Council

NextEra Energy Transmission

Pattern Energy

Pine Gate Renewables

Protect Our Winters

Solar Energy Industries Association

SouthWestern Power Group

TS Conductor Corp.

Union of Concerned Scientists

VEIR