Extend and Expand Critical Clean Energy Tax Incentives

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Congress should enact the following critical clean energy tax incentives, which have bipartisan support, create jobs, save consumers money on their energy bills, and enhance America's economic competitiveness:

An extension of the Section 1603 Treasury Grant Program (TGP). The TGP authorizes the Department of Energy to issue grants, in lieu of existing renewable energy tax credits, to renewable energy facilities that are placed in service or that commence construction by the end of 2010. If legislation to extend this deadline is not enacted during the lame duck session, there will be devastating consequences for the renewable energy industry. Recent research shows extending this program for two years will create 65,000 jobs in the solar industry alone.

An extension of key building energy efficiency incentives. Congress should extend the Section 45L credit for energy efficient new homes and the Section 45M credit for the manufacturing of high-efficiency appliances. Congress should also extend Section 25C, which is a tax credit for efficiency improvements to existing homes and the purchase of high efficiency equipment. The extension should 1) maintain the existing efficiency criteria required to qualify for the credit and specifically should not modify the standards for windows, and 2) ensure that all taxpayers are eligible regardless of whether they claimed the credit in 2009 or 2010.

An expansion of the Section 48C advanced energy manufacturing tax credit. The Section 48C credit is an essential federal investment needed to help retool America's factories to make clean energy technologies possible. The present credit was oversubscribed more than three times, leaving $5.8 billion in applications that could not secure tax credits. This program should be expanded to enable more projects to qualify. We urge Congress to provide an additional $5 billion in credit or grants to expand and improve this program and create green manufacturing jobs right here in the U.S.

Congress should not extend the corn ethanol tax credit. An extension of the Volumetric Ethanol Excise Tax Credit (VEETC) would cost more than $31 billion over the next five years—$6 billion next year alone—while generating little domestic corn ethanol production beyond what is already mandated by the Renewable Fuels Standard and creating few new jobs. Last year, corn ethanol received more than 70% of all federal tax incentives for all forms of renewable energy. Not only is the VEETC wasteful, but continuing to use scarce taxpayer dollars to support a mature, mainstream, and polluting technology like corn ethanol will impede our ability to transition to the new, better-performing advanced biofuels we need.

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