

November 4, 2015

Majority Leader Mitch McConnell  
U.S. Senate  
Washington, DC 20510

Minority Leader Harry Reid  
U.S. Senate  
Washington, DC 20510

Speaker Paul Ryan  
U.S. House of Representatives  
Washington, DC 20515

Minority Leader Nancy Pelosi  
U.S. House of Representatives  
Washington, DC 20515

Dear Leader McConnell, Speaker Ryan, Leader Reid, and Leader Pelosi:

As Congress considers the important issue of tax extenders, we urge an extension of the Investment Tax Credit ("ITC") contained in Section 48 of the tax code. Although the ITC is currently scheduled to expire in 2016, the "placed in service" requirement coupled with the lead time for installation of advanced energy projects, means that the ITC will effectively expire at the end of 2015, if not sooner. This tax credit has helped deploy new technologies that are beginning to gain a market foothold and create homegrown American jobs.

In order to avoid serious market disruption to and provide for short- to mid-term planning for still nascent industries, we respectfully request that the ITC be extended for a five-year period and that the "placed in service" standard be modified to a "commence construction" standard.

The ITC is critical to a range of advanced energy technologies, including fuel cells, microturbines, combined heat and power technologies, and geothermal heat pump systems.

- Fuel cells are clean, efficient, resilient technologies that have moved from demonstration to commercially available products. The ITC has been credited with allowing fuel cell developers and companies to remain and grow in the U.S. and export domestically manufactured products overseas.
- Microturbines are efficient energy systems with low emissions that supply clean, distributed, and resilient power in the event of grid outages. Microturbine technology was invented in the United States, where the overwhelming majority of this technology continues to be produced today. The ITC has accelerated the deployment of microturbine technology and is an important signal to the microturbine manufacturing industry to continue investing in research and development and expanding its U.S. hiring and manufacturing base.
- Combined heat and power ("CHP") is a proven, but underutilized, energy-efficiency technology which generates heat and electricity from a single fuel source. It can improve efficiency from 33% to as much as 80%. The ITC has supported growth in CHP deployment with 950 megawatts in new installations in 2012 alone and 3,000 megawatts of additional new capacity projected to come online by its expiration in 2016. Allowing for the effective continued use of the ITC is a critical step toward supporting this growth and enhancing manufacturer competitiveness.
- A geothermal heat pump (GHP) system is a highly efficient renewable energy technology that uses the ground or ground water to heat or cool buildings. The systems conserve energy by pumping excess warm air from a building during warmer months and

discharging it to the Earth, and during cool months, the GHPs pump warmer air from the Earth to a building. Energy Star certified GHPs are over 45 percent more efficient than standard heating and cooling appliances, and the ITC has been an important driver of GHP adoption across the country.

These technologies harness a broad range of domestic energy resources, including fossil fuels and renewables. Use of these technologies provide energy independence and security, and offer consumers choice in their power needs, all while strengthening the resilience and reliability of the U.S. power grid. They can increase energy efficiency and reduce long-term costs, while decreasing environmental impact. Moreover, advanced energy technology development drives U.S. innovation, businesses, economic activity, manufacturing, national security, and jobs.

Advanced energy technologies require years of research and development, trials, manufacturing/production, and scaling to cultivate a concept into a commercialized, established business. The ITC has been critical in incentivizing initial early adopter demand to ultimately drive the cost of the technologies down and establish the technologies in the marketplace. In so doing, the ITC has also attracted necessary private capital to support these advanced energy technologies.

We commend you for your leadership on critical tax policy issues such as the ITC. Our strong hope is that, as part of extenders legislation, the ITC is extended for a five-year period through 2021 and that the “placed in service” standard is modified to a “commence construction” standard. Thank you.

Sincerely,



Acumentrics



Advanced Energy Economy



Advent Technologies, Inc.



Alliance for Industrial Efficiency



Altergy Systems



American Council on Renewable Energy (ACORE)



AREVA Inc.



Bloom Energy



Business Council for Sustainable Energy



Capstone Turbine Corporation



Dominovas Energy Corp



Doosan Fuel Cell America



First Element Energy



FuelCell Energy



Fuel Cell and Hydrogen Energy Association



Fuji Electric Corp. of America



Giner



Hydrogenics



ITM Power



Johnson Matthey Fuel Cell



LG Fuel Cell Systems



McPhy Energy



National Groundwater Association



NRG Energy Inc.



Nuvera Fuel Cells



Ohio Fuel Cell Coalition



Parker Hannifin Corporation



Pew Charitable Trusts



Plug Power



Precision Combustion, Inc.



Proton OnSite



Redox Power



Sheet Metal and Air Conditioning Contractors National Association



Sono-Tek Corporation



TechNet



WATT Fuel Cell



W.L. Gore