

October 29, 2019

The Honorable Nancy Pelosi
Speaker of the U.S. House
Washington, DC 20515

The Honorable Kevin McCarthy
U.S. House Republican Leader
Washington, DC 20515

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

The Honorable Chuck Schumer
U.S. Senate Democratic Leader
Washington, DC 20510

The Honorable Richard Neal
Chairman
U.S. House Committee on Ways and Means
Washington, DC 20515

The Honorable Kevin Brady
Ranking Republican Member
U.S. House Committee on Ways and Means
Washington, DC 20515

The Honorable Chuck Grassley
Chairman
U.S. Senate Finance Committee
Washington, DC 20510

The Honorable Ron Wyden
Ranking Democratic Member
U.S. Senate Finance Committee
Washington, DC 20510

Dear Speaker Pelosi, Republican Leader McCarthy, Majority Leader McConnell, Democratic Leader Schumer, Chairman Neal, Ranking Member Brady, Chairman Grassley and Ranking Member Wyden:

As companies and organizations representing millions of workers in energy efficiency, construction, manufacturing, and other fields, we write to urge you to pass the **Home Energy Savings Act (S.2588/H.R.4506)** and the **New Home Energy Efficiency Act (S.2595/H.R.4646)** – bipartisan legislation introduced recently to modernize and reinstate two critical tax incentives encouraging energy efficiency in new and existing homes. The bills are sponsored by Sens. Maggie Hassan (D-N.H.) and Susan Collins (R-Maine) and Reps. Jimmy Gomez (D-Calif.) and Mike Kelly (R-Pa.) and supported by a broad coalition of manufacturers, trade associations, environmental groups and other stakeholders.

This legislation would not only provide direct economic relief to your constituents through reduced taxes and energy bills, it would drive economic activity and job creation across manufacturing, construction and other industries. It also could be one of the most effective steps Congress takes this year in addressing climate change.

The Home Energy Savings Act (S.2588/H.R.4506) would update the Section 25C incentive with modernized efficiency requirements and up to \$1,200 in lifetime homeowner tax credits for investing in efficiency improvements. The New Home Energy Efficiency Act (S.2595/H.R.4646) would update the Section 45L incentive to give homebuilders a \$2,500 credit for meeting modernized efficiency requirements in new homes that reduce energy use and costs for the life of the home.

Remarkably, the U.S. tax code currently has no widely available incentives for energy efficiency, even as it contains numerous longstanding incentives encouraging various forms of energy generation. Passing this legislation would begin correcting this disparity, helping to make energy efficiency more accessible to constituents.

Already, energy efficiency is among the largest employers in the energy economy and by far the largest in the clean energy sector, with more than 2.3 million jobs nationwide, largely in construction and manufacturing.

Improving energy efficiency is also widely viewed as the single most impactful climate solution, with recent studies showing it could account for approximately half of the greenhouse gas emissions reductions necessary to meet global targets. Addressing home energy use is critical because the residential sector represents approximately 20% of U.S. energy consumption and a similar share of carbon emissions.

As supporters of energy efficiency, we urge you to act on this important legislation this year. We also support a modernized, multi-year extension of the Section 179D incentive for commercial building efficiency improvements.

We look forward to working with you on this important issue. If you have any questions, please contact Ben Evans at the Alliance to Save Energy at bevans@ase.org.

Sincerely,

A.O. Smith
Air Conditioning Contractors of America
Air-Conditioning, Heating & Refrigeration Institute
Alliance for Green Heat
Alliance to Save Energy
American Council for an Energy-Efficient Economy
American Institute of Architects
Andersen Windows & Doors
Association of Energy Engineers
Building Performance Association
Citizens for Responsible Energy Solutions (CRES)
Covestro LLC
Daikin US Corporation
Danfoss
DFW International Airport
DuPont
E4TheFuture
Goodman Manufacturing
Hearth, Patio & Barbecue Association
Illuminating Engineering Society
Ingersoll Rand

Johnson Controls
Knauf Insulation
National Association of Energy Services Companies
National Association of Home Builders
National Association of State Energy Officials
National Insulation Association
Natural Resources Defense Council
North American Insulation Manufacturers Association
Polyisocyanurate Insulation Manufacturers Association
Rheem Manufacturing Company
Sheet Metal and Air Conditioning Contractors National Association
Signify
TopBuild
U.S. Green Building Council

cc: Members of the Senate Finance and House Ways and Means Committees