

June 14, 2021

U.S. House of Representatives and U.S. Senate - California Delegation
Washington, DC 20515

Re: Federal Energy Storage Tax Incentive

Dear Speaker Pelosi, Senator Feinstein, Senator Padilla, and Representative Thompson,

As you consider clean energy and infrastructure legislation, we urge you to support an Investment Tax Credit (“ITC”) for energy storage technologies. Each of our undersigned companies are either headquartered in California or have significant operations in the state. We know an energy storage ITC will directly and significantly benefit California, a leader in energy storage deployments. A storage ITC, such as proposed in the bipartisan *Energy Storage Tax Incentive and Deployment Act* (S. 627 & H.R. 1684), has been included in both the *GREEN Act* (H.R. 848) and the *Clean Energy for America Act* (S. 1298). Enacting a storage ITC this year is critical to ensure a level playing field for energy storage to compete with all other energy resources made eligible for the ITC, while also enabling the grid enhancements that energy storage can provide.

Energy storage systems are critical to modernization of the electric grid and help generation resources become more efficient, productive, and competitive. Storage solutions are increasingly helping California customers manage their energy bills while also providing backup power during the recent, more frequent outages. Storage also supports our state and national clean energy and greenhouse gas emission reduction goals by absorbing and later discharging energy from renewables, providing critical balancing for the grid. Storage does this when configured to ‘stand-alone’ or when ‘co-located’ with renewable power sources. As renewables come online, storage supports grid needs such as ramping and voltage support and reduces the need to rely on high emission power sources. These grid needs have become increasingly clear after extreme weather caused recent blackouts in California and elsewhere. California’s existing procurement of energy storage has attracted significant investment in and progress on new projects, driving in-state job creation. CESA estimates that energy storage development created over 18,000 jobs between 2010-2020. With significant construction and other development activities occurring this year, CESA expects this number has already grown significantly and will continue to grow to over 98,000 jobs by 2030.¹

If enacted, a storage ITC would allow the U.S. energy storage industry to better obtain financing, scale, create jobs, and become more competitive internationally in the fast-growing global storage market, while helping Californians to continue to clean our electric system cost effectively. Extending the ITC to energy storage, as proposed by this language, would provide greater certainty to investors and businesses.

More significantly, ITCs have been a critical part of the growth of many other clean energy technologies and allowing energy storage access to an ITC is necessary to ensure a level playing field. There are cases where stand-alone energy storage is optimal and necessary for the grid and customers. An energy storage ITC supports overall grid and power system reforms in both urban and rural areas, while supporting all varieties of customers.

¹ California Energy Storage Alliance (2020), “Energy Storage: The Next Major Job Creation Opportunity”. Accessible at: <https://static1.squarespace.com/static/5b96538250a54f9cd7751faa/t/5ec857f92dd571390c0d1563/1590188026152/2020-05-01+Energy+Storage+Jobs+White+Paper.pdf>

We encourage you to support the energy storage industry's capital formation, investment, and jobs by making California and America's power system more reliable, resilient, and cost-effective with energy storage. We ask you to support inclusion of storage ITC eligibility in forthcoming legislation.

Sincerely,

Alexander Morris, Executive Director
California Energy Storage Alliance



Barnaby Olson, CEO
Able Grid Energy Solutions



Britta MacIntosh, Senior Vice President
Ameresco Inc.



Paul Hayes, General Manager
American Fire Technologies

Andrew Ponec, Co-founder and CEO
Antora Energy

Antora Energy

Justin Johnson, CEO
Arevon



Or Yogev, CEO
Augwind



AUGWIND

Marc Atlas, Chief Financial Officer
Aypa



Jacob Morgan, Director of Development
Broad Reach Power



BROAD REACH POWER

Tom Habashi, CEO
Central Coast Community Energy (3CE)



Gina Goodhill, Policy Director
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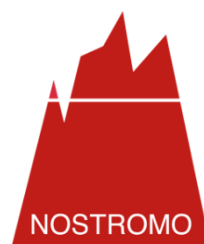
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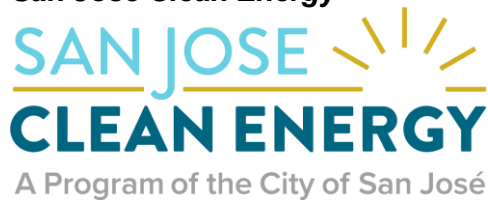
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