May 9, 2025

The Honorable Mike Johnson
H-232, The Capitol
Washington, D.C. 20515

The Honorable Hakeem Jeffries
2267 Rayburn House Office Building
Washington, DC 20515

The Honorable Jason Smith
1011 Longworth House Office Building
Washington, DC 20515

The Honorable Richard Neal
327 Cannon House Office Building
Washington, DC 20515

Dear Speaker Johnson, Democratic Leader Jeffries, Chairman Smith and Ranking Member Neal,

On behalf of the undersigned trade associations and organizations representing millions of American workers across the domestic energy sector, we urge you to prioritize energy security, reliability and affordability as you consider potential legislation to reform the tax code. America's energy sector is the backbone of our economy and national security and federal tax policy should support a robust, diverse energy portfolio that includes both traditional and renewable sources that is available to all market participants through the use of elective pay and transferability. Specifically, we write to express support for the following tax incentives:

40B – Sustainable Aviation Fuel Credit
45Q – Carbon Capture and Sequestration Tax Credit
45 U – Nuclear Power Production Tax Credit
45V – Clean Hydrogen Production Tax Credit
45X – Advanced Manufacturing Production Tax Credit
45Y – Clean Electricity Production Tax Credit
45Z – Clean Fuel Production Credit
48C – Advanced Energy Project Credit
48E – Clean Electricity Investment Tax Credit

The coming decades will see unprecedented growth in electricity demand driven by economic expansion including the build-out of data centers and the continued onshoring of manufacturing. U.S. energy demand is projected to grow 35-50% by 2040, and we cannot supply this demand without significantly increasing domestic energy production.

An all-of-the-above tax code is necessary to support an all-of-the-above electric grid that can meet this rising electricity demand, win the AI race, ensure a reliable, resilient, and increasingly clean grid, and maintain affordability for American families. The existing suite of energy tax credits, and the investment they are driving, has led to a reduction of both wholesale power and capacity prices delivering an 11-percent reduction in power system costs and saving consumers money on their electric bill.

An all-of-the-above domestic energy agenda will also drive America's economic growth through onshoring manufacturing facilities, enhance national security through domestic production of fuels and fertilizer here in the United States, and drive energy dominance through export and trade opportunities.

Our member companies are creating millions of new good-paying American jobs. Investing in domestic energy production, energy infrastructure, and manufacturing will support continued job growth and economic development in communities across the country while reducing costs for American families and businesses. As Congress evaluates energy tax policy, we ask that you take a balanced approach to tax reform that maintains tax incentives for all forms of domestic energy production and storage and provides tax certainty to American businesses to that best serve American consumers, workers, and our national security interests.

Thank you,

American Clean Power Association (ACP)
Edison Electric Institute (EEI)
Electric Power Supply Association (EPSA)
National Association of Electrical Distributors (NAED)
National Association of Manufacturers (NAM)
National Electrical Contractors Association (NECA)
National Electrical Manufacturers Association (NEMA)
National Hydropower Association (NHA)
Nuclear Energy Institute (NEI)
Renewable Fuels Association (RFA)