

The **UNITED STATES SENATE**
COMMITTEE *on* **FINANCE**
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Wyden Statement at Finance Committee Markup on the Clean Energy for America Act
As Prepared for Delivery

On the federal tax books today is a hodgepodge of 44 different energy tax breaks for a host of fuel sources and technologies. These tax breaks have stacked up over the decades like dusty old papers on the messiest desk in the office. The system is anti-competitive and anti-innovation. It puts the government in the role of picking winners and losers by giving some fuels and technologies big, permanent tax breaks while others have short-term, temporary extensions. It has survived in this form for one reason only: Congress has long found it easier to pile on so-called “tax extenders” than clean things up once and for all.

The Clean Energy for America Act throws the old system in the waste bin. It replaces the old rules with a free-market, technology-neutral system in which reducing carbon emissions becomes the lodestar of America’s energy future. It can spark a wave of carbon-cutting, job-creating ingenuity all across the country.

Here’s how the bill works. Instead of the 44 tax breaks from yesteryear, the new system will incentivize three goals: clean energy, clean transportation and energy efficiency.

It will level the playing field because the same rules will apply to any and all who want to compete, from the biggest fossil fuel companies on down to the smallest renewable startup.

For example, let’s say two utilities build new power plants in neighboring states. One goes with full carbon capture, the other goes with wind. Both will get a tax incentive. If a company makes clean transportation fuel, like green hydrogen or renewable diesel, that company will get a tax credit. If a homeowner or a builder puts up an efficient new home or office, or if they add to the efficiency of one that already exists, they’ll get a tax credit. The more carbon you cut, the cleaner and more efficient you are, the larger the tax break you’ll get.

The system on the books today is bad for competition, bad for innovation and bad for climate. I want to take what I consider to be a classic American approach: use policy to set a big goal, and then get out of the way. Let American entrepreneurs and inventors do what they do best. That’s what the Clean Energy for America Act is all about. It’s going big on the proposition that everybody will be interested in new incentives to cut carbon and create high-wage, high-skill jobs at the same time.

A recent independent analysis looked at the approach to clean electricity in this bill. It considered these changes to be a cornerstone of policies that would put us on a path to a zero net-emissions power sector by 2035, while creating a net gain of more than 600,000 new jobs. That doesn't account for the job gains from the incentives for clean transportation and energy efficiency, where other innovative companies will come in and create new jobs of their own.

The reality is, countries around the world have no choice but to turn away from carbon. Clean energy and transportation jobs are coming, it's just a question of where. If Congress sticks with the 44 breaks of yesteryear, those jobs will go to China, India, Germany and elsewhere. This committee and the Senate cannot afford to pass up this opportunity.

I released the first version of this bill back in 2015. Over the years I've heard from Democrats and Republicans about the virtues of a tech-neutral approach that puts the free market to work. That's what this bill does. Several members have brought forward ideas that have improved it. The bill has now been formally endorsed by the country's leading environmental groups, the leading groups representing labor, and by the Edison Electric Institute, not exactly a far-left group.

The fact is, the Senate Finance Committee has never had a markup that looked carefully at the issues on the table today: the outdated energy tax code, and the job-creating potential of reducing carbon and addressing climate. That's what today is all about.

It's taken a lot of work to get to this point, but this meeting is long overdue. I want to thank members and staff for all their hard work on amendments over the last few days. I also want to thank Dr. Tom Barthold, the hardest working man in the tax policy business, for joining the committee today.

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