

August 9, 2021

Dear Speaker Pelosi, Majority Leader Schumer, Minority Leader McCarthy, and Minority Leader McConnell:

Our companies are some of the leading companies driving greenhouse gas reductions in the power sector. We reflect the diversity of business models within the U.S. power sector, including investor-owned utilities, independent power producers, public power companies, and electric distribution cooperatives. We are committed to working with Members of Congress and the Biden Administration to design and implement a broad suite of legislative and regulatory policies that enable the power sector to play a central role reducing U.S. greenhouse gas emissions consistent with Biden Administration targets and establish a foundation for deep decarbonization in the future.

The investments in electric vehicles, resilience, and the electrical grid that have been proposed in the bipartisan infrastructure framework are important for the development of clean energy, affordable electricity for customers, environmental justice, job creation, and a just transition. Beyond these proposed investments, we would also support enactment of an additional suite of funding priorities to achieve these objectives. These include:

- additional investments in electric system infrastructure, including resilience, transmission, storage, and innovative technologies;
- tax incentives to promote and preserve both new and existing zero-emitting generation while allowing for equitable and flexible access to these incentives for all types of power companies to provide benefits to all customers regardless of utility ownership structure (e.g., by providing for direct pay of credits and through policies that promote more equitable and flexible agreements between cooperatives and power providers);
- funding for the demonstration and deployment of projects with zero- and low-greenhouse gas emissions, including projects that demonstrate the generation of hydrogen using low-carbon energy sources and deploy carbon capture and storage at scale; and
- resources to maintain reliability, resilience, and affordability within the electrical system.

Investments in the decarbonization of the power sector will catalyze emission reductions across the economy, including the transportation, building, and industrial sectors. Electrification of these sectors, along with strategies that rely on fuels with zero- or low-greenhouse gas emissions, will be necessary to meet economy-wide targets. The same holds true for flexible, technology-neutral investments in advanced clean energy that recognize the role of both new and existing clean, lower-emitting generation while also providing flexibility across geographies for technical feasibility.

Critically, combining clean energy and infrastructure investments with a national climate program for the power sector, such as a clean electricity standard, would foster the transition to a net-zero greenhouse gas emissions economy driven by the generation and delivery of clean electricity. A clean electricity standard with a clear and transparent compliance obligation implemented with national flexibility and a system for tracking compliance can ensure emission reductions, catalyze investments in new clean generation, help to maintain existing zero emission generation, and support innovation in new clean technologies. The program should also recognize early action by states and power companies, building upon their early leadership to reduce emissions in the power sector, and support a level playing field for retail suppliers operating in restructured electric markets by establishing appropriate baselines.

We strongly support a national approach to mitigating climate change that achieves deep reductions in U.S. greenhouse gas emissions consistent with targets established by the Biden Administration and that drives investment in a clean energy economy to create jobs and build the necessary clean energy infrastructure. As companies that have long supported the need to address climate change, we look forward to working with Members of Congress and the Administration on these policies.

Signed:

Austin Energy

Atlantic City Electric

Baltimore Gas & Electric (BGE)

ComEd

Delmarva Power

Exelon Corporation

Eugene Water & Electric Board

Holy Cross Energy

Kit Carson Electric Cooperative

Los Angeles Department of Water and Power (LADWP)

La Plata Electric Association

National Grid

New York Power Authority (NYPA)

Pepco

Puget Sound Energy

PSEG

Seattle City Light

Sacramento Municipal Utility District (SMUD)

Snohomish Public Utility District

Tacoma Power

Talen