May 29, 2025

Hon. Senate Majority Leader John Thune
Hon. Senate Democratic Leader Charles Schumer
Hon. Senator John Barrasso
Hon. Senator Tom Cotton
Hon. Senator Richard Durbin
Hon. Senator Amy Klobuchar
Hon. Senator Susan Collins
Hon. Senator Patty Murray
Hon. Senator Lindsey Graham
Hon. Senator Jeff Merkley
Hon. Senator Mike Crapo
Hon. Senator Ron Wyden

Hon. Speaker of the House Mike Johnson
Hon. Majority Leader Rep. Steve Scalise
Hon. Democratic Leader Rep. Hakeem Jeffries
Hon. Representative Tom Emmer
Hon. Representative Lisa McClain
Hon. Representative Katherine Clark
Hon. Representative Pete Aguilar

RE: Proposed Reconciliation Bill Will Increase Energy Costs, Increase Unemployment, and Hurt American Families

We the undersigned organizations are submitting this letter to request your support for two critical priorities in the FY25 Budget:

1) Save critical tax credits to reduce costs and create jobs for everyday Americans; and
2) Save critical grant programs that protect clean air and water**.** Clean Air Act programs passed under the Inflation Reduction Act give communities across the country vital resources and programs essential for creating jobs and attracting new investment, while protecting clean air, clean water and safety from severe-weather impacts.

The House Budget Reconciliation Bill would harm communities, kill jobs, slow investment, and raise energy costs on American families.

Lawyers for Good Government ("L4GG") is a nationwide nonprofit organization that provides assistance to local governments, health care facilities, academic institutions, communities, school districts, Tribal entities, and universities to realize projects that create jobs and save money on energy for their constituents and communities. L4GG has a network of pro bono tax, project finance, energy law, and federal assistance law experts who provide legal assistance on many of the programs proposed for termination in the House bill. To date, L4GG has provided legal guidance to over 700 states, local governments, Tribes, places of worship, rural cooperatives, and community organizations on clean energy tax credits and access to grants. We respectfully submit this letter to protect these entities and Americans in your districts who will be significantly harmed by the House bill.

Save Critical Tax Credits to Reduce Costs for Everyday Americans

The House bill would eliminate or make impossible the use of popular tax credit provisions that are critical to America's "all-of-the-above" approach to achieve energy dominance. The following tax credits provide a lifeline to the projects already undertaken or planned by the signatories. Importantly, the projects made possible by these credits create jobs and lower the cost of energy for their constituents and communities:

30C (Alternative Fuel Vehicle Refueling Property)	45Y (Clean Electricity Production Tax Credit)
30D (Clean Vehicle)	48 (Investment Tax Credit)
45W (Qualified Commercial Clean Vehicles)	48E (Clean Electricity Investment Tax Credit)

Since July 2024, more than 21,000 unique viewers have used the L4GG Clean Energy Tax Navigator to explore tax credit eligibility for more than 3,600 projects spread throughout the country, indicating an overwhelming interest in accessing these tax credits. L4GG and its partners[1] have directly helped over 60 cities and counties file for tax credit funding for projects that have spurred investment and provided economic benefits in many states, including Indiana, North Carolina, Florida, Ohio, Georgia, Louisiana, Idaho, and Arkansas, among others.

The credits that funded many of these projects would be eliminated or become totally unusable within as little as 60 days after passage of the current House bill. And the many projects currently in the pipeline within these districts will likely fail. Of the many cities and counties that filed for tax credits over the last year, half of them were in districts represented by Republicans in Congress. These cities need these credits to pay for energy projects and fleet transitions that reduce energy costs, all of which will be gone at the end of this year under the House bill. Our allies at the Climate Mayors have already identified 175 municipalities in 45 states who align in this request to have Congress save clean energy tax credits.[2]

Benefits in Republican-controlled Districts Would Be Lost

Since 2022, over 400,000 jobs have been announced nationwide, with 216,322 of them located in 152 Republican congressional districts.[3] Examples of projects made possible by clean energy tax credits include:

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[1] The partners include the following nonprofit organizations: Government Finance Officers Association, World Resources Institute, Urban Sustainability Directors Network, Southeast Sustainability Directors Network, and the Electrification Coalition.

[2] https://www.usmayors.org/wp-content/uploads/2025/05/SIGN-ON_Local-Leader-Letter-to-Senate-and-House-Tax-Committees-to-Save-Clean-Energy-Tax-Credits.docx-3.pdf. .

[3] *See* the at https://climatepower.us/wp-content/uploads/2025/04/April-2025-Clean-Energy-Jobs-Report.pdf.

San Antonio, Texas (42 solar projects including 23 solar parking canopies to address heat islands)

Chattanooga, Tennessee (5 EV charging stations with 4 that are publicly available)

Fayetteville, Arkansas (3 EVs & 3 solar projects)

Buncombe County, North Carolina (19 solar projects in public buildings including public safety facilities, a library, and a community college)

Dayton, Ohio (14 EVs, with planning for EV charging stations)

Pateros, Washington (Solar project for water reservoir and wastewater treatment plant)

Athens-Clarke County, Georgia (11 EVs and 23 charging stations)

Asheville, North Carolina (4 EVs, 1 EV charging station, and 2 solar projects)

Boone, North Carolina (EV and a solar project)

South Bend, Indiana (Solar projects for a fire station and a wastewater treatment plant, EV charging station at a community center)

Bloomington, Indiana (2 EVs, 3 EV charging stations, and 2 solar projects)

Blaine County, Idaho (EV and a planned community solar project)

Tax Credits are Critical to Tackling Rising Energy Costs

Repealing clean energy investments would drive up energy costs for American families. If clean energy tax credits remain in place, Americans are projected to save $38 billion on electricity bills by 2030.[4] Already, more than 3.4 million families have saved over $8.4 billion through clean energy and energy efficiency upgrades that reduce monthly energy expenses.[5]

Clean energy tax credits have helped the local governments, schools, places of worship, and other community organizations significantly lower their energy costs:

- Warren County Public Schools in Kentucky is expecting $1,742,406 in energy tax credits for the installation of a ground-source heat pump system at the Briarwood Elementary School and WCPS Board Office. This project will generate cost savings for many years.[6]
- These credit payments are making a huge difference in **Central Appalachia**, where many religious institutions are reducing energy costs and creating energy shelters during extreme weather events for their congregations:
    - Director Tim Yankey of Howell's Mill Christian Assembly in West Virginia used the tax credits to reduce energy bills that "had climbed to nearly $36,000 a year,"; **the second phase of the project will fail if the proposed bill goes forward**;

[4] *See* the article at https://thehill.com/policy/energy-environment/4154516-exclusive-federal-analysis-says-ira-infrastructure-law-could-save-customers-billions-on-energy-bills/.
[5] *See* the press release at https://home.treasury.gov/news/press-releases/jy2521.
[6] *See* https://www.undauntedk12.org/energy-tax-credits-action-center.

- Reverend Nancy Woodworth-Hill of Lawrencefield Parish Church, West Virginia wants to go solar to save $77,000 over the life of the project; the new FEOC requirements (see below) which will crush her plans to reduce costs.[7]

Churches and houses of worship all over the country are designing projects around these tax credits. All of these projects will fail if this bill passes.

Critical Changes Needed to the House Bill

The American people need Congress to leave the clean energy tax credits in place, without the massive phase-outs contained in the House bill. The House bill wisely retains the Elective Pay mechanism, **but with the phase-out of 30C and 45W and the significant restrictions on 48 and 45 (described below), this mechanism is essentially meaningless to the religious institutions, academic institutions, rural cooperatives, and local governments depending on Elective Pay.** The cuts in the House bill represent a massive lost opportunity in your districts and beyond to create jobs, lower energy costs, and increase energy independence. **Please do not let this happen to your constituents**.

Specifically, the new Foreign Entity of Concern ("FEOC") provisions in the House bill would create an impossible barrier for local governments and religious institutions to navigate. The term "material assistance" is not well defined in the bill, and neither is it clear how the exclusion for parts and materials that are "not uniquely designed [or formulated]" for use in qualified facilities would be applied in practice. **These unnecessarily complex barriers would make it practically impossible for Elective Pay entities to access these tax credits**.

Finally, the phase-out provisions would render the credits ineffective even during the limited time during which the proposed House bill would leave them technically in place. **By eliminating the 45Y and 48E credits for projects that begin construction more than 60 days after enactment of the House bill, the House bill goes against the decades-long best practice of phasing out credits at the beginning of a subsequent tax year and kneecaps future investments**. As currently proposed, this requirement effectively eliminates large projects immediately and pulls the rug out from large projects for which construction has already begun. Utility-scale projects, which often have timelines of three years or more, would be suddenly at risk of becoming ineligible halfway through construction. Developers who entered into such projects based on planning that took into account the credits would find themselves in a situation where they spent millions of dollars on projects that, overnight, became infeasible.

[7] *See* https://appvoices.org/2025/04/17/clean-energy-tax-credit-report-release/.

Changes Are Critical To Save Industry And Protect Americans:

The signatories implore you to revive 30C, 30D, 45W beyond 2025, remove the FEOC restrictions, and restore the language from "placed in service" to start of construction.

Save Critical Grant Programs That Protect Clean Air and Water

Congress authorized the Environmental Protection Agency ("EPA") to create groundbreaking grant programs to promote clean air and water, clean up pollution, deploy new sources of energy production, and increase energy efficiency at the local level. Thousands of local governments, Tribes, religious institutions, municipal utilities, schools, and community organizations have entered into binding grant agreements with the EPA to benefit local communities. The House bill would decimate the environmental and economic progress these programs would have made, just as the projects are breaking ground.

On its face, the House bill rescinds only unobligated funds. **However, in reality the rescissions would likely pull the rug out from grant recipients who have already invested significant resources into these projects as a result of a signed contract with the EPA.** The House bill creates more opportunity for the EPA to operate in bad faith and attempt to deobligate funds from grants the agency has rushed to terminate before the grantees can even exercise their due process rights to protect their legally-obligated funding. This is already happening at EPA. **There are billions of dollars of legally-obligated funds that EPA has unlawfully terminated to get them rescinded, and it could impact thousands of Americans**. As a result of the House bill, L4GG raises two serious concerns.

First, the House bill seeks to repeal authorization for multiple EPA programs that have active grants with billions of dollars in legally-obligated funds. Repealing authorization while a program is still being implemented is legally unprecedented and jeopardizes the viability of those grants. Programs such as EPA's Solar for All, which funds programs that reduce household energy costs for low- and middle-income families by at least 20 percent, could potentially be forced to stop their work given such legal uncertainty.

Major programs proposed for repeal of authorization include:

- Section 132 of the Clean Air Act (Clean Heavy-Duty Vehicles)
- Section 133 of the Clean Air Act (Grants to Reduce Air Pollution At Ports)
- Section 134 of the Clean Air Act (Greenhouse Gas Reduction Fund & Solar for All)
- Section 137 of the Clean Air Act (Climate Pollution Reduction Grants)

- Section 138 of the Clean Air Act (Climate and Environmental Justice Block Grants)

Second, "unobligated" funds include more than just "left-over" funds from the grant competitions. Since January 2025, the EPA has canceled billions of dollars of already-obligated grants for projects that were already underway. Cities, Tribes, religious institutions, and community organizations with signed, binding grant agreements with the EPA found these projects terminated suddenly (and most times unlawfully), even after making significant investments. The canceled projects included efforts to improve indoor air in schools, improve transportation corridors, cool down urban heat islands, redevelop long-abandoned brownfields, clean up polluted waterways, clean up the nation's ports, strengthen clean energy career pipelines, and prepare communities for severe weather and wildfires. Under the House bill, these billions of dollars of previously obligated grants may be considered by EPA as newly "unobligated," and would be swept away. It's a pernicious strategy that every member of Congress should be aware is happening.

The EPA's cancellation of grants has deeply harmed valuable community projects, resulting in investment and job losses, as well as a loss of trust in government. Below are a few examples - among thousands - of the impacts at stake:

- In the San Gabriel Valley of California, a community-based organization has not had access to promised grant funds since early March and has since had their grant terminated. As a result, it has had to fire key staff and indefinitely stall its efforts to keep residents safe in an area vulnerable to extreme heat, flash floods, and wildfires.
- The Kalamazoo Climate Crisis Coalition in Michigan has had no access to their grant funds for weeks and has since been terminated, crippling their efforts to increase energy efficiency for low-income homes and build out Climate Resiliency Hubs. Without these funds, the coalition will have to cancel millions of dollars of investment in communities with some of the worst health disparities and highest pollution levels in the state.
- Without access to its EPA grant, given that its grant was recently terminated, Pennsylvania-based Landforce will have to lay off staff, cancel millions of dollars in procurement, and cut promised training programs related to reusing urban wood and lumber and increasing the use of biochar as a clean energy source.

These harms will likely become permanent under the House bill.

Finally, the House bill rescinds unobligated balances intended to fund the EPA's oversight of the grants. Given our focus on ensuring effective implementation and compliance with federal grant regulations, we are deeply concerned that a rescission of de minimis amounts reserved for agency administration would undermine the EPA from fulfilling its legal obligations. Please do not make this choice. Please prioritize families' access to clean drinking water and public health.

Conclusion

In short, the proposed repeals and restrictions of the clean energy tax credits and the repeal of authorization and rescission of funds under the EPA's Clean Air Act grant programs would cripple communities' efforts to clean up pollution, ensure access to drinking water without lead, lower energy costs, create jobs, and protect residents from extreme climate events. L4GG and the signatories respectfully urge that these tax credits and related transferability provisions, as well as the EPA's Clean Air Act grant funds and authorization, are fully restored. We greatly appreciate your attention to this important matter. If there are any questions, please feel free to contact Jillian Blanchard at Jillian@L4GG.org.

Sincerely,

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Lawyers for Good Government



Traci Feit Love
President and Executive Director
Lawyers for Good Government

Signatories (by state)

Zender Environmental Health and Research Group	AK
Alaska Public Interest Research Group	AK
Activate 48	AZ
Elders Climate Action	AZ
Sisters of Social Service	CA
Woka Foundation	CA
Elders Climate Action	CA
The Greenlining Institute	CA

Collective Energy	CA
Center for Environmental Health	CA
Just Solutions	CA
Casa Familiar	CA
Center for Social Creativity	CO
Colorado Communities for Climate Action	CO
Accelerate Neighborhood Climate Action	CO
Health Resources in Action	CT
Connecticut Roundtable on Climate and Jobs	CT
Emerald Cities Collaborative	DC
Solar Energy World	DC
Unity In The Family Ministry	FL
Community Action NOW	GA
Lucky Shoals Community Association, Inc.	GA
Center for a Sustainable Coast	GA
Wild Cumberland	GA
Georgia Conservation Voters	GA
Winneshiek Energy District	IA
AFGE Local 704	IL
Windfree Solar	IL
ESG Owl	IL
Illinois Green Economy Network	IL
Change the Chamber	IL
Invest in Louisiana	LA
Greater Treme Consortium, Inc.	LA
Mystic River Watershed Association	MA
Community Equitability Group	MA
Second Nature	MA
Elevated Design Inc.	MA
Campaign for Environmental Literacy	MA
Blue Lobster Creative	MA
Intentional Endowments Network	MA
Renew Worcester	MA
Hitchcock Center for the Environment	MA
City of Takoma Park	MD
City of Baltimore	MD
Center for an Ecology-Based Economy	ME
City of Ann Arbor	MI
It's Electric!	MI
Habitable	MN
City of St. Louis Park	MO
2C Mississippi	MS
City of Missoula	MT
Climate Smart Missoula	MT
Center for Rural Affairs	NB

North Carolina League of Conservation Voters	NC
Piedmont Environmental Alliance	NC
Granite Advancement Project	NH
Dream.Org	NY
Fleischer Consulting	NY
Clean Air Coalition of Western New York	NY
Solve Climate by 2030	NY
Trinity Alliance of the Capital Region - Albany	NY
M. Todd Studio Architecture	NY
Children's Environmental Literacy Foundation	NY
Donovan Energy	OH
Mill Creek Alliance	OH
FreshWater Accountability Project	OH
Dayton Energy Collaborative	OH
City of Bend	OR
Pennsylvania Public Health Association	PA
Sustainable Business Network of Greater Philadelphia	PA
Southwestern Pennsylvania Municipal Project Hub	PA
Drops of Love Inc.	PA
Chester Residents Concerned for Quality Living	PA
ECHO Systems	PA
Lafayette College	PA
RegenAll	PA
Landforce	PA
Southern Alliance for Clean Energy	TN
Share the Light Solar Nonprofit Development	TX
Third Act RVA	VA
City of Seattle	WA
City of Olympia	WA
Omfishient Consulting	WA
Village of Shorewood Hills	WI
City of Edgerton	WI
Wyoming Independent Citizens Coalition	WY
Health Care Without Harm	USA
Urban Sustainability Directors Network	USA
Citizen's Climate Lobby	USA
Climate Justice Alliance	USA
Center for Progressive Reform	USA
Physicians for Social Responsibility	USA
Mi Familia en Accion	USA
Institute for Sustainable Communities	USA
Association for the Advancement of Sustainability In Higher Education	USA
Groundwork USA	USA
Vote Solar	USA