SUPPORT TAX INCENTIVES TO ENCOURAGE INVESTMENT IN ENERGY EFFICIENCY

Position:
NECA urges Congress to consider legislation that will help advance investment in energy efficiency through changes in tax policy. NECA believes that federal tax incentives will provide incentives to building owners and other purchasers to help improve the energy performance of commercial buildings and will deliver tremendous benefits in terms of job creation, energy savings and greater competitiveness.

NECA would like to see Congress consider the following proposals that can reduce building energy and operating costs; create construction jobs; expand and shape markets for energy-efficient products and services; improve occupant productivity; and optimize life-cycle economic performance.

• Extend the Energy Efficiency Commercial Building Tax Deduction (179D) beyond 2013
  • Increase the Deduction from $1.80 to $3.00 per square foot
• Expand the Commercial Building Tax Deduction to include specific lighting technologies and for other technologies that improve building energy performance, such as variable speed drives and lighting controls
• Expand tax incentives for cogeneration or combined heat and power
• Extend the Treasury Department’s Section 1603 cash grant program for investment in renewable energy
• Extend tax credits for purchase of electric vehicles and for alternative fuel vehicle refueling property (charging stations)
• Expand incentives for renewable energy including emphasis on solar and wind technologies
• Reduce the recovery period for investment in electricity transmission lines and smart grid devices from 20 years to 10 years

Key Points:
• Today, 1 in 5 construction workers – over 1.7 million people – are out of work and this figure is a national average with many localities experiencing one-half of their workforce unemployed. Such incentives will create hundreds of thousands of construction jobs through retrofitting commercial, institutional, and multi-family buildings.

• In addition to finding jobs for construction workers, NECA contractors capable of performing these retrofits would be able to put idle equipment, materials, and design capacity which could be quickly deployed to meet the demand generated by energy efficient tax incentives.

• NECA contractors would stand to benefit by legislation that would call for our industry to install or service products, including but not limited to, variable speed drives for motors; interior and exterior lighting; building energy audits and energy management and monitoring systems. Though estimates vary, the commercial marketplace accounts for 46% of building energy use.

• Investment in energy efficiency can make buildings healthier and more environmentally sustainable; therefore, companies who choose to renovate with higher efficient products should be granted tax incentives.

• An analysis of the job creation and energy savings benefits of previously introduced energy efficiency tax incentive legislation by the American Council for an Energy Efficiency Economy indicates that 187,000 jobs would be created with $3.3 billion in annual energy bill savings along with avoided emissions estimated to nearly 4 million cars.

• NECA installs and services electrical products that will move America toward less consumption of energy, less carbon emissions and overall more efficient use of our resources. However, widespread adoption of these energy-efficient technologies has been slow due to economical, governmental, and marketplace barriers.