

Congressional Enactment of COVID-19 Omnibus Legislation: Solar/Wind Tax Credit Extensions



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The United States Congress enacted on December 21st COVID-19 omnibus legislation.

The legislation includes targeted renewable energy initiatives.

These initiatives include:

- One-year extension of the production tax credit/investment tax credit for land-based wind at 60% of their full value
- Two-year extension of the investment tax credit for solar at 26%
- 30% offshore wind investment tax credit for projects that commence construction from January 1, 2017 through December 31, 2025

The renewal of these tax credits is arguably a continuation of the United States history of facilitating energy infrastructure through the United States tax code. They can be characterized as indirect federal subsidies to finance the investment and production of renewable energy.

Examples of other energy, environmental, or natural resources related initiatives included in the om leg:

- 15 year phase down of hydrofluorocarbons
- Updating the capture tax credit
- Expansion of carbon utilization and direct air capture research
- Creation of a fund to remediate ocean plastic pollution
- Increased funding for climate research (Inclusion of the Water Resources Development Act authorizing projects within the United States Army Corps of Engineers Civil Works Program)
- Reauthorizes the Weatherization Assistance Program
- Reauthorizes pipeline safety legislation
- Prioritizes research, development, and demonstration of next-generation technologies to reduce greenhouse gas emissions
- Addresses energy storage, advanced nuclear, critical minerals, and materials, fusion industrial technologies, smart manufacturing, and grid modernization
- Revisions to the United States Department of Energy's Title 17 Loan Guarantee Program
- Funding for land and water conservation fund programs
- Reauthorization of United States Environmental Protection Agency program curbing diesel engine emissions

Note that at the time of this posting President Trump has expressed concern about the size of the stimulus checks and has not indicated whether or not he will approve the legislation.

