June 13, 2025

The Honorable Marsha Blackburn
United States Senate
357 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Blackburn,

On behalf of the Tennessee Advanced Energy Business Council (TAEBC) – the only statewide organization that champions advanced energy as an economic development and job creation strategy – we thank you for your leadership in positioning Tennessee as a national energy leader. We write to urge you to revise provisions in the House-passed reconciliation bill that would repeal or restrict critical clean energy tax credits essential to our state's energy and economic future.

Tennessee's advanced energy sector is a powerhouse—employing 420,000 Tennesseans and contributing $56 billion annually to our state's GDP[1]. That success is no accident: it's the result of smart state and federal policies that foster investment and job growth. Any action to undermine those policies threatens that progress.

We commend Congress for maintaining the zero-emission nuclear power tax credit (45U) and carve outs for nuclear projects in the clean electricity production and investment tax credits (45Y & 48E, respectively) in the House-passed reconciliation bill (H.R.1, One Big Beautiful Bill Act). As you know, Tennessee, particularly East Tennessee, is poised to lead America's nuclear renaissance – unleashing next-generation nuclear power and technology, including fusion energy. For the 229 nuclear-related companies investing in Tennessee, 154 of which are located in the Oak Ridge-Knoxville area, the 45U and other tax incentives are a crucial lifeline for capital allocation when planning long-term investments.

While we eagerly look forward to advanced nuclear technologies coming online, we need additional resources now to meet unprecedented power demand in the TVA region stemming from AI, data centers, crypto, and electrification, as well as massive population, industrial, and economic growth. Increased domestic oil and gas production cannot meet that demand alone—especially as major producers have signaled they do not plan significant output increases and utilities face years-long delays in acquiring necessary equipment such as gas turbines to increase generation.

[1] 2024 Tennessee Advanced Energy Economic Impact Report: https://www.tnadvancedenergy.com/advanced-energy-economic-impact-report/

Advanced energy technologies such as solar and storage are optimal and necessary interim solutions that provide economic growth, good-paying jobs, and low-cost electricity to millions of Americans, while reducing our reliance on China and other foreign supply chain's grip on critical energy manufacturing sectors, including batteries, solar, and semiconductors.

Abrupt repeal of the critical clean energy tax credits such as the technology-neutral production tax credit (45Y) and investment tax credit (48E), as passed in the House-passed reconciliation bill, would dismantle our state and nation's ability to meet rapidly growing energy demand. Repeal of current credits and restrictions included in the House-passed bill that render the credits unworkable will reverse efforts to onshore energy supply chains, weaken U.S. energy and grid security, and raise energy costs for Tennessee Valley ratepayers.

Even more concerning, repeal of the credits directly threatens more than $5.5 billion in investments and 5,481 clean energy jobs that have been announced in Tennessee across both the manufacturing and power generation sectors since IRA passage – the majority of which have been announced within the last two years.

The Edison Electric Institute found that these credits would enable electric utilities to lower consumer bills by $45 billion between 2025-2032, while NERA Economic Consulting found that repealing these incentives would raise U.S. residential and commercial electricity prices by nearly 7% and 10%, respectively, by 2026. Further, an analysis by SEIA shows that 330,000 current and future jobs across the country could be at risk if the reconciliation bill is enacted without changes, including nearly 3,000 solar and storage jobs in Tennessee alone.

As the Senate revises portions of the House-passed reconciliation bill, we urge you to adopt several necessary changes to the energy tax credits, including:

1. **Replace House-passed "placed in service" eligibility thresholds for the clean energy tax credits with a realistic "commence construction" requirement** to ensure energy development can meet soaring demand. The timelines included in the House-passed bill for "commence construction" and "placed in service" requirements are unworkable from any practical business standpoint and render the credits completely unattainable. This is due to a number of factors including protracted utility interconnection and permitting timelines due to increased renewable demand and limited agency resources.
2. **Extend the timelines for phasing out the credits to 2028** to avoid pulling the rug out from underneath Tennessee companies that have planned major investments around these credits. These credits are vital for implementation of new renewable assets that multinational businesses depend upon to achieve global commitments. *Not extending or eliminating these timelines places the U.S. in a significant competitive disadvantage with other countries as they are accelerating their renewable and zero-carbon subsidies and attracting billions of energy generation and infrastructure investment which the U.S. desperately needs to achieve energy dominance.*
3. **Fix the Foreign Entity of Concern (FEOC) provisions by setting clear, practical guidelines that allow companies additional time to restructure supply chains**

without jeopardizing critical investments. Expanded FEOC restrictions as written in the House-passed reconciliation bill render clean energy tax credits unworkable. Instead of preventing foreign adversaries from benefiting from the credits, the House-passed provisions undermine U.S. competitiveness, particularly against China, by restricting advanced manufacturing and domestic energy production. The Senate should work with impacted industries to ensure that these requirements are mechanically workable, thoughtfully designed, and offer certainty to critical sectors.

4. **Reinstate transferability of the credits.** Utilizing transferability allows small and medium energy developers to harness private sector investment capital much more effectively, enabling companies to invest in a broad spectrum of generation technologies and domestic manufacturing facilities. Limiting tax credit transferability to two years on a project with a 15-25-year payback significantly impacts future investments and changes the landscape of all future energy development.

To achieve American energy dominance, we need energy addition, not subtraction. Ending these credits years before their expected phaseout dates and making them unattainable through overly-prescriptive restrictions will derail billions in planned investments and thousands of jobs tied to new, reliable energy development currently underway in Tennessee. We urge you to lead the charge in ensuring these vital incentives remain intact and effective.

Thank you for your consideration of these important requests. We welcome the opportunity to meet with you or your staff to discuss further, and we look forward to hearing back from you.

Sincerely,

Cortney Piper

Cortney Piper
Executive Director
Tennessee Advanced Energy Business Council
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