May 20, 2016

Dear Chairman Boustany and Ranking Member Neal:

As the House Ways and Means Tax Policy Subcommittee considers proposals to improve the U.S. tax system, we strongly urge the adoption and enactment of the Master Limited Partnerships (MLP) Parity Act, H.R 2883, introduced by Representatives Poe (R-TX-2) and Thompson (D-CA-5). The expansion of MLPs for the U.S. energy sector will enable greater parity in the tax code, encourage technology diversity, spur private investment, enhance national security, and protect the environment.

MLPs are investment vehicles taxed as partnerships but whose ownership interests trade like corporate stock. They provide access to large amounts of low-cost capital for traditional energy projects -- primarily oil and gas pipelines -- with a current market capitalization of more than $450 billion. Bipartisan, bicameral legislation has been introduced in multiple sessions of Congress that would open up MLPs to a broader set of energy technologies from wind, solar, and storage to carbon capture, energy efficiency, and cogeneration.

Congress first authorized MLPs in 1987, limited primarily to fossil fuel-based resources. This has allowed companies to finance projects deploying the qualifying technologies at lower interest rates. However, clean and efficient energy companies are not allowed to utilize this effective financial instrument. Congress should expand MLPs to ensure a level playing field for a broader array of energy sources and technologies and expand investment opportunities for American investors.

We urge you to include, and support enactment of, the MLP Parity Act as part of any legislation aimed at improving the U.S. tax system.

Sincerely,

American Council on Renewable Energy
Advanced Biofuels Association
Advanced Energy Economy
AEC Science & Technology, LLC
Algae Biomass Organization
Alliance for Industrial Energy Efficiency
American Council of Engineering Companies
Biomass Thermal Energy Council
Biotechnology Industry Organization
Combined Heat and Power Association
Energy Storage Association
Environmental and Energy Study Institute
First Solar
Geothermal Energy Association
Growth Energy
Heat is Power Association
High Performance Building Coalition
Illuminating Engineering Society of North America
International Code Council
International Facilities Management Association
Malachite, LLC
National Association of State Energy Officials
National Electrical Manufacturers Association
Natural Resources Defense Council
Solar Energy Industries Association
Sheet Metal and Air Conditioning Contractors National Association
The Pew Charitable Trusts
Third Way
Union of Concerned Scientists