

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
ARMED SERVICES
ENERGY AND NATURAL RESOURCES
INTELLIGENCE
JOINT ECONOMIC

September 23, 2021

Dear All:

Thank you for your letter dated August 26, 2021. You asked for my support for ending fossil fuel subsidies, and you have it. Since April, I've been an original cosponsor of legislation that would end fossil fuel subsidies. I'm also fighting hard to pass the Build Back Better Agenda, including its critical climate components.

We have an unprecedented opportunity to shape our future economy while also responding to the urgent climate crisis we face. This is especially true as Congress debates major reforms to the federal energy tax code through the Build Back Better Agenda. We must use this opportunity to fund ambitious climate and clean energy provisions, including a clean electricity payment program, a clean energy technology accelerator, and consumer rebates for electrification and clean energy tax credits.

There is no time to waste. According to a recent article in *Nature*, nearly 60 percent of oil and fossil methane gas, and 90 percent of coal must remain in the ground to have at least a 50 percent chance of limiting warming to 1.5 degrees Celsius. That is why I am an original cosponsor of the Clean Energy for America Act (S. 1288), which is the legislation I mentioned above. When passed, it would simplify our country's complex energy tax code by ending direct tax credits for oil and natural gas and replace 44 different tax deductions for energy sources with three technology-neutral tax credits. I am proud that the Clean Energy for America Act also includes my legislation to establish investment tax credits for energy storage (S. 627, Energy Storage Tax Incentive and Deployment Act of 2021) and new transmission projects (S. 1016, Electric Power Infrastructure Improvement Act).

In my time in the U.S. Senate, I have secured multi-year extensions of production and investment tax credits that have spurred major growth in the clean energy industry in New Mexico. The tax credits helped pave the way for major utility-scale wind projects like the Sagamore Wind Project and El Cabo Wind Farm. Each new wind project represents hundreds of jobs and hundreds of millions of dollars of investment and economic impact in rural New Mexico. The tax credits have also helped boost the solar industry, which has created nearly 3,000 jobs in New Mexico, including over 1,000 new jobs in 2016 alone.

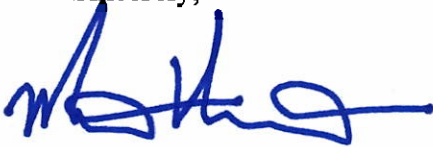
I also believe we must hold the oil and gas industry accountable for clean-up and reducing methane emissions. I was incredibly proud when President Joe Biden signed into law my bill to reinstate and strengthen responsible methane emission standards (S.J. Res 14). I'm also proud to be a co-sponsor of the Oil and Gas Bonding Reform and Orphaned Well Remediation Act (S. 2177), which would reform an outdated oil and gas leasing system and fund orphaned well clean up and remediation. The importance of this work cannot be overstated and has very real, life and

death consequences. A United Nations report from this year found that for every million tons of methane emitted, about 1,430 people die prematurely.

Currently, the U.S. spends \$20.5 billion in direct federal subsidies every year to the fossil fuel industry. Of that amount, states spend \$5.8 billion. Taking into account the hidden costs of fossil fuels, the International Monetary Fund estimates that the U.S. spends closer to \$649 billion per year. We must redirect taxpayer dollars to invest in clean energy and support communities that will be affected by the energy transition. To that end, I introduced the Schools and State Budgets Certainty Act (S. 1740) to assist federal fossil fuel producing states like New Mexico as revenues decline in the coming years due to market forces and policies to curb carbon pollution. The Schools and State Budgets Certainty Act would provide a predictable transition for states, counties, and Tribes and give those governments time to transition their budgets to more sustainable and reliable sources of revenue.

Please consider me an ally and partner in the work to take on the climate crisis and transition to a clean energy economy.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. Heinrich', with a stylized flourish at the end.

MARTIN HEINRICH
United States Senator