



# High Performance Building Congressional Caucus Coalition

*Where building professionals from communities across the country come together with policymakers to consider and advocate for national policies that advanced high performance buildings*

## ***Support the passage of the Master Limited Partnerships Parity Act (S. 1656, H.R. 2883)***

January 21, 2016

The Honorable Orrin G. Hatch  
The Honorable Ron Wyden  
Senate Finance Committee  
219 Dirksen Senate Office Building  
Washington, D.C. 20510-6200

The Honorable Paul Ryan  
The Honorable Sander Levin  
House Ways and Means Committee  
1102 Longworth House Office Building  
Washington, D.C. 20515-0001

Dear Senator Hatch, Senator Wyden, Representative Ryan and Representative Levin:

The High Performance Building Congressional Caucus Coalition is an alliance dedicated to advancing common-sense policy that encourages the development and retrofit of high-performance buildings.

On behalf of the undersigned businesses and organizations, we write to urge speedy consideration and passage of the bipartisan Master Limited Partnerships Parity Act, introduced by Senators Coons and Moran as S. 1656, and by Representatives Poe of Texas and Thompson of California as H.R. 2883. This bipartisan legislation spurs the provision of equity capital to the renewable energy and building energy retrofit industries, sectors that improve American economic competitiveness and have created hundreds of thousands of new U.S. jobs.

Master limited partnerships (MLPs) are organized as partnerships, trade on the public stock exchanges and permit “flow through” taxation —taxing net income only upon distribution to investors. Because these partnerships trade on public exchanges and offer investors limited liability and the pass-through of pretax income, they are effective and low-cost mechanisms for raising investment capital. With an October 2015 market capitalization of \$394 billion, MLPs have been tremendously effective in raising equity investment for the fossil fuels industry.

At present, the federal tax code restricts MLP status to projects generating at least 90 percent of their income from “depletable” resources, including crude oil, natural gas, petroleum products, coal, timber, and other minerals. The Master Limited Partnerships Parity Act would extend the use of MLPs to the clean energy industry, including renewable technologies, energy-efficient buildings, combined heat and power, waste heat and biofuels.

This bipartisan legislation offers the following advantages:

- Creates U.S. jobs and supports U.S. leadership in renewable energy, energy smart buildings and biofuels. By increasing capital for residential renewable energy and for energy performance contracting to design and execute comprehensive commercial

building retrofits under Section 179(D), the bill would stimulate economic activity and employment in construction, architecture, engineering, installation, equipment manufacturing, building products and materials and related industries.

- Incentivizes investors to place additional capital in U.S. clean energy and energy efficiency technologies, including those used in the retrofit of energy-smart buildings.
- Gives small retail investors access to the clean energy investment markets.
- Places clean energy on a level playing field with fossil fuels in the capital markets.
- Makes U.S. industry and commercial buildings more competitive by reducing energy costs, and reduces fuel costs for homeowners.

Past budget scoring indicates that this approach is fiscally responsible. In 2013, the Joint Committee on Taxation scored an earlier version of the Master Limited Partnerships Parity Act as costing the federal government just \$307 million over 5 years and \$1.3 billion over 10 years. The benefits in capital formation, jobs and energy savings would far outstrip the cost.

The Master Limited Partnerships Parity Act is a bipartisan bill that employs a proven, market-driven approach to stimulate new investment in the clean energy and building energy-efficiency sectors. We appreciate your prompt and favorable consideration of this legislation, and stand ready to work with you on this and related matters.

Sincerely,

The High Performance Building Congressional Caucus Coalition  
[www.HPBCCC.org](http://www.HPBCCC.org)

AEC Science and Technology, LLC  
Air Barrier Association of America  
Alliance to Save Energy  
American Council of Engineering Companies  
ASHRAE  
Associated General Contractors of America  
Biomass Thermal Energy Council  
Building Performance Institute (BPI)  
EIFS Industry Members Association (EIMA)  
Environmental and Energy Study Institute  
International Association of Plumbing and Mechanical Officials (IAPMO)  
Illuminating Engineering Society of North America  
Institute for Market Transformation  
International Facilities Management Association  
Malachite LLC  
National Association of State Energy Officials  
Passive House Institute of the United States (PHIUS)  
The Stella Group, Ltd.  
Tremco Commercial Sealants and Waterproofing  
Underwriters Laboratories