



March 17, 2025

The Honorable Jerry McNerney, Chair  
Senate Revenue and Taxation Committee  
State Capitol, 410  
Sacramento, CA 95814

**RE: SB 302 (Padilla) – Inflation Reduction Act (IRA) – Tax Conformity  
As Introduced 2/20/25 – SUPPORT  
Referred to the Senate Revenue and Taxation Committee**

Dear Senator McNerney:

On behalf of the undersigned organizations committed to California's clean energy future, we respectfully urge your support for SB 302, a critical measure that will fully leverage federal incentives to lower the cost of clean energy development in California.

Our organizations represent the companies developing the diverse array of clean energy projects necessary to decarbonize California's electricity sector. To reach our SB 100 goals, California will need to more than triple the zero-emission resources it brings online over the next two decades, which requires swift and efficient deployment of clean energy infrastructure. SB 302 will help ensure that California maximizes every available tool to accelerate this transition and keep utility bills affordable.

The 2022 Inflation Reduction Act (IRA) introduced key incentives to spur clean energy investment, including the ability to sell clean energy tax credits directly for cash, expanding access to capital beyond a small universe of financial institutions (IRC §6418). In addition, the IRA included a provision allowing certain taxpayers to receive direct payments from the Treasury (IRC §6417).

By enabling a broader range of investors to participate, these provisions reduce financing barriers and lower the overall cost of clean energy projects. However, California is one of only five states that has yet to align its tax code with federal law, putting the state at risk of higher

project costs and slower clean energy deployment. According to our analysis, we estimate that non-conformity increases the cost of a typical new clean energy project by up to 6% depending on the project owner's presence in California. Failure to act would result in these costs being passed through to ratepayers at a time when energy prices are already soaring.

The IRA was designed to advance the clean energy policies that California has long championed. California has conformed its tax code to federal legislation in the past, including the American Rescue Plan Act (2021), CARES Act (2020), and the American Recovery and Reinvestment Act (2009). Senate Bill 302 would continue this precedent to save ratepayers money and foster increased clean energy development along with good paying jobs.

We appreciate your leadership on this important issue and urge your support for SB 302. Should you have any questions, please contact Cara Martinson at [cara@publichouseconsulting.net](mailto:cara@publichouseconsulting.net).

Sincerely,  
Stephanie Doyle, State Affairs Director, California  
Solar Energy Industries Association (SEIA)

Shannon Eddy, Executive Director  
Large-scale Solar Association (LSA)

Nancy Rader, Executive Director  
California Wind Energy Association (CalWEA)

Jan Smutny-Jones, CEO & General Counsel  
Independent Energy Producers Association (IEPA)

Alex Jackson, Executive Director  
American Clean Power – California (ACP-CA)

V John White, Executive Director  
Clean Power Campaign, Center for Energy Efficiency & Renewable Technologies (CEERT)

Scott Murtishaw, Executive Director  
California Energy Storage Alliance (CESA)

Edson Perez, Senior Principal  
Advanced Energy United (AEU)

Cc: Members and Staff, Senate Revenue and Taxation Committee  
Senate Republican Consultant