

America's Electric Companies Support Pro-Growth Tax Reform

Investments in critical energy infrastructure power the nation's economy, create jobs, and deliver the energy Americans need.



INFRASTRUCTURE INVESTMENTS
\$100+ billion
COMMITTED IN 2017



7 million+
TOTAL U.S. JOBS SUPPORTED BY OUR INDUSTRY

5 Ways Electric Companies Are Different Than Other Businesses

		ELECTRIC COMPANIES	OTHER BUSINESSES
1	Most Capital-Intensive Industry	✓	✗
2	Obligated to Serve All Customers	✓	✗
3	Highly Regulated	✓	✗
4	Prices and Investment Returns Set By Regulators	✓	✗
5	Make Investment Decisions Based Solely on Customer Needs	✓	✗

For Electric Companies, Interest Deductibility v. 100% Expensing Is An Issue of Timing

INTEREST DEDUCTIBILITY	100% EXPENSING
Immediate benefit	Benefits spread over a longer time period
Encourages investment	Can discourage investment
Keeps energy bills affordable and predictable for customers	Higher cost of capital can lead to higher energy bills for customers

100% Expensing Does NOT Work for Electric Companies

MANUFACTURERS (Warehouse)



**\$1 BILLION:
20-YEAR ASSET**

NO REGULATION REQUIREMENT

Can immediately
utilize tax benefit.

IMMEDIATE TAX BENEFIT

\$1 billion tax write-off
in year one.

ELECTRIC COMPANIES (Power Plant)



**\$1 BILLION:
20-YEAR ASSET**

HIGHLY REGULATED

Required to spread tax
benefits evenly over
the life of the asset.

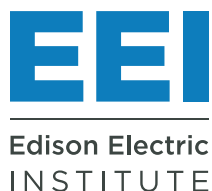
NO IMMEDIATE TAX BENEFIT

\$50 million tax write-off
per year for customers
over 20 years.

Tax Reform Is Not One-Size-Fits-All

Tax changes that may help to promote growth in other industries often have the opposite effect on electric companies.

With the right approach to tax reform, America's electric companies can continue to make the necessary investments in critical energy infrastructure, to accelerate economic growth and deliver the energy Americans need.



The Edison Electric Institute (EEI) is the association that represents all U.S. investor-owned electric companies. Our members provide electricity for 220 million Americans and operate in all 50 states and the District of Columbia. Safe, reliable, affordable, and increasingly clean energy powers the economy and enhances the lives of all Americans. EEI has dozens of international electric companies as International Members, and hundreds of industry suppliers and related organizations as Associate Members.