Dear New York Delegation:

The undersigned companies of New York are writing to ask that you extend the highly effective Section 1603 Treasury Program which expired on December 31, 2011. Extension of this program will create jobs, spur economic growth and promote private sector development of energy technologies.

The Internal Revenue Code provides a host of tax incentives designed to spur the development and use of domestic energy sources and technologies. Project developers commonly monetize these tax incentives by partnering with tax equity investors who have the liquidity and tax liability to utilize the credits.

The 2008 economic crisis and the economy's subsequent downturn drastically reduced the availability of tax equity, severely limiting the financing available for energy projects. The Section 1603 Treasury Program, which was enacted in 2009 and extended in 2010, allows energy developers to receive a federal grant in lieu of taking an existing energy tax incentive they are otherwise entitled to claim. This is simply a change to the timing of when an energy incentive can be claimed. This change in timing, however, provides the liquidity needed for the further development of domestic energy projects.

The 1603 Treasury Program has been a resounding success. Since its enactment, the program has leveraged over $22.8 billion in private sector investment to support over 22,000 projects utilizing a wide range of energy technologies in all 50 states and has supported tens of thousands of American jobs. The 1603 Treasury Program is an efficient finance mechanism that allows taxpayers and small businesses to maximize the return and value of existing energy tax incentives, and is technology neutral so it encourages the development of a wide variety of domestic energy technologies.

Specifically for New York, the 1603 Treasury Program has driven $1.2 billion of investment to the state and has supported 217 clean energy projects, 186 of which are solar projects.

Lastly, there remains a need for the 1603 Treasury Program. The tax equity market modestly improved in 2010, but still has not recovered to pre-recession activity. A July 2011 survey of the major tax equity investors by the U.S. Partnership for Renewable Energy Finance estimates expiration of the program would shrink the total financing available for energy projects by 52 percent in 2012. This would stifle job creation and severely restrict the market's ability to leverage private sector capital to finance new domestic energy projects.

Thank you in advance for your consideration. We look forward to working constructively with you to meet the nation's economic and energy policy goals.

Sincerely,