SEIA Solar Energy Industries Association®

August 1, 2011

The Honorable Dianne Feinstein
Chair
U.S. Senate Committee on Appropriations
Subcommittee on Energy and Water
331 Hart Senate Office Building
Washington, DC 20510

The Honorable Lamar Alexander
Ranking Republican
U.S. Senate Committee on Appropriations
Subcommittee on Energy and Water
455 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Feinstein and Senator Alexander:

The Solar Energy Industries Association (SEIA) is the national trade association for the U.S. solar energy industry. On behalf of our 1,000 member companies and the 100,000 American taxpayers employed by the solar industry, I am writing to thank you for your continued support of Department of Energy (DOE) initiatives that support the production and use of solar energy. As you begin the process of crafting the Fiscal Year (FY) 2012 Energy and Water Appropriations bill, I wanted to take this opportunity to share with you the U.S. solar industry's priorities as they pertain to this important legislation.

<u>DOE Loan Guarantee Program:</u>

The U.S. solar industry fully supports funding for the DOE Loan Guarantee Program. This technology neutral initiative is a proven, effective policy mechanism that leverages $13 in private sector investment for every dollar that is appropriated to promote the deployment of clean energy generation and manufacturing. By helping to deploy new clean energy technologies at scale, the Loan Guarantee Program also creates jobs, reduces energy costs, provides a source for local tax revenues, creates new supply chains and export opportunities, and spurs further technological innovation. This is wholly consistent with an energy policy that values the deployment of clean energy assets that promote economic opportunity and enhance our domestic energy security.

SEIA supports the creation of a permanent, full-scale financing authority to support the deployment of renewable technologies. On July 14, 2011, the U.S. Senate Committee on Energy and Natural Resources approved legislation that would authorize the formation of a Clean Energy Deployment Administration (CEDA) within DOE to provide a variety of financing mechanisms for renewable energy projects. However, until legislation creating an entity such as CEDA is enacted and fully funded, DOE's Loan Guarantee Program must continue to serve its vital role in helping to finance clean energy projects.

Administration and implementation of the DOE Loan Guarantee Program has improved dramatically. Jonathan Silver, the Executive Director of DOE's Loan Programs Office, has used his financial expertise to assemble a team of top financial professionals who are now working to evaluate and close highly complex deals at an increasingly efficient pace. Of the 37 guarantees that have been finalized or received conditional commitments under Section 1705, 12 were announced in June 2011 alone. However, unless Congress provides sufficient funding for the 1703 program for FY 2012, there is a very real risk that DOE will lose the professional expertise that has been assembled in the Loan Programs

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Office. This would clearly hinder DOE's ability to properly evaluate and support renewable energy program applications.

Accordingly, the solar industry requests that adequate funding be provided in the FY 2012 Energy and Water Appropriations bill to continue the timely processing and awarding of loan guarantees to all projects deserving of DOE support. DOE has finalized loan guarantees or offered conditional commitments to 37 projects. However, there remain dozens of applications in the queue, totaling approximately $15 billion worth of clean energy projects. To provide for the timely processing of these applications, the solar industry requests the inclusion of $1.5 billion in the FY 2012 Energy and Water Appropriations bill to pay for the credit subsidy costs related to these projects.

SEIA recognizes the fiscal constraints associated with the difficult economic climate and the impact this will have on the overall funding available for the FY 2012 Energy and Water Appropriations bill. Accordingly, the solar industry is supportive of providing DOE with the statutory authority to implement cost-sharing requirements as it pertains to credit subsidy costs. This common sense change will give DOE the ability to finance additional renewable projects at reduced cost to taxpayers. We look forward to constructively working with you on both the funding level for the DOE Loan Guarantee Program and giving DOE administrative flexibility as it pertains to the program's cost-sharing requirements.

DOE Solar Energy Programs:

DOE's Solar Energy Program supports vital research on photovoltaic (PV), concentrating photovoltaic (CPV), and concentrating solar power (CSP) technologies with the goal of producing cost-effective solar energy for America while creating jobs in solar manufacturing and installation. DOE also funds solar heating and cooling (SHC) activities within the Building Technologies Program that are crucial to continuing growth of the SHC industry and the deployment of SHC technology in the U.S. For FY 2012, SEIA supports the Administration's recommendation of $457 million for DOE's Solar Energy Program and specifically requests $10 million for Solar Heating and Cooling activities within the Building Technologies Program.

Thank you in advance for your consideration of the U.S. solar energy industry's priorities for the FY 2012 Energy and Water Appropriations bill. We look forward to constructively working with you to realize the economic and energy policy benefits associated with the expanded deployment of solar energy technologies.

Sincerely,

Rhone Resch
President and Chief Executive Officer