

September 8, 2010

The Honorable Steven Chu, Secretary
United States Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

Secretary Chu:

As representatives of the renewable energy industries in the United States, we are concerned with the implementation of Title XVII Renewable Energy Loan Guarantee Program (LGP) at the Department of Energy (DOE). It is critical to the success of our nation's clean energy goals that the LGP immediately begin operating as it was intended.

Lawmakers have taken \$1.5 billion from the Loan Guarantee Funds to pay for emergency shortfalls in state revenues. This follows last year's removal of \$2 billion from the LGP to pay for the "Cash for Clunkers" program that has not been restored. Removing the additional \$1.5 billion would leave the LGP nearly 60 percent below the level that Congress originally appropriated.

There is no question Congress is taking the LGP funds because DOE has been slow in dispersing them. A July 12, 2010 U.S. Government Accountability Office (GAO) report titled "Department of Energy: Further Actions Are Needed to Improve DOE's Ability to Evaluate and Implement the Loan Guarantee Program," noted that since the LGP was established in Title XVII of the Energy Policy Act of 2005, it had issued only one loan guarantee as of April, 2010. We are concerned that if delays continue at DOE, there is great risk that more of the funds will be drained from this vital program.

Our country's energy needs are increasing rapidly. It is clear that the American public, their elected officials and the President want renewable energy to meet that need. President Obama has laid out a clear goal of increasing our use of renewable energy while addressing the very real challenge of global climate change.

Our members have spent many years and billions of dollars collectively developing renewable energy technologies. Many projects are ready to be deployed, but due to the collapse of the global financial markets and the innovative nature of some of the technologies, they are having difficulty securing the necessary financing. The LGP was specifically designed to overcome these obstacles and its inaction sends the signal that the government is no longer a willing partner to the industry.

The DOE has been instrumental to the advancement of renewable energy in the United States and we collectively applaud you for that leadership role. It is because of your past support that we urge you to fix the shortcomings of the LGP so that we can continue to work together for a clean energy future in America.

Sincerely,

Growth Energy
Renewable Fuels Association
Clean Fuels Development Coalition
Solar Energy Industries Association
American Council on Renewable Energy
Biomass Coordinating Council, American Council On Renewable
Biotechnology Industry Organization
American Wind Energy Association