



February 13, 2011

The Honorable John Boehner
Speaker of the House
H-232
U.S. Capitol Building
Washington, DC 20515

Dear Mr. Speaker:

The Solar Energy Industries Association (SEIA) is the national trade association of the American solar energy industry. On behalf of our 1,000 member companies and 100,000 American taxpayers employed by the solar industry, I am writing to urge you and the Members of the House of Representatives to strike from H.R. 1 two provisions (Sections 1425 and 3001) that eliminate funding for Department of Energy (DOE) loan guarantees for solar and other non-nuclear clean energy projects.

In its current form H.R. 1 would likely kill all clean energy projects with pending DOE loan guarantee applications, causing the loss of tens of thousands of jobs and many other benefits. These projects represent billions of dollars of capital investment and returns to the federal government in the form of tax payments that greatly outweigh any expenditures. In addition, dozens of companies have collectively invested hundreds of millions in developing solar projects in reliance on the loan guarantee program and will likely lose the entirety of their investment and may be bankrupted if this proposal becomes law.

We recognize that the fiscal problems facing our nation are severe and that tough choices need to be made to reduce our annual budget deficits and burgeoning Federal debt. Clearly, every dollar of Federal spending deserves scrutiny— but we strongly believe that DOE's renewable energy loan guarantee programs are justified by the benefits to the economy.

DOE's loan guarantee program was initially created by the Energy Policy Act of 2005 in recognition of the great challenges that large nuclear, renewable and other low-carbon energy projects face obtaining affordable long-term financing in the commercial marketplace. In today's economic climate, these programs are critical to attract investment in nuclear, clean coal and renewable energy projects. Until the financial community witnesses the successful completion of several of these projects, it will continue to charge substantial premiums or not lend to those projects at all.

To date, DOE has committed over \$25 billion in loan guarantees for 22 clean energy projects with total project costs of over \$40 billion. Cumulatively, these projects will produce almost four gigawatts of clean energy capacity, deploy three new manufacturing facilities, and will create tens of thousands of jobs across 19 states.

Six of these projects have received only conditional loan commitments. Since OMB will likely not consider loan guarantee funding to be obligated until the loans have closed, these projects may be killed by H.R. 1 even though the developers have committed millions of dollars in reliance on the U.S. government's promise of support.

In addition, there are also approximately 20 additional projects at various stages of the agency's loan guarantee due diligence review process. These projects have been selected from among hundreds of applications submitted to the DOE loan guarantee program to receive the balance of loan guarantee funding available under the Section 1705 program. The companies that have received conditional loan commitments or are in the due diligence review process have expended hundreds of millions of dollars in project development costs in good faith reliance upon existing law. All of these projects would be cancelled by H.R. 1, not only eliminating the construction jobs associated with these projects, but also impacting the manufacturing orders to our domestic US solar industry.

The DOE loan guarantee funds that would be eliminated by H.R. 1 are not simply excess appropriated dollars sitting in an agency's reserve account. Every dollar will be spent on clean energy projects that have been identified by DOE as viable and creditworthy and will significantly contribute to our nation's energy needs. It is both unfair and short-sighted to change the rules late in the game. It is for these reasons that we strongly urge that sections 1425 and 3001 be stricken from H.R. 1.

Thank you for your consideration.

Sincerely,



Rhone Resch
President and CEO

cc: Members, House of Representatives