

**Congress of the United States**  
**Washington, DC 20515**

December 7, 2011

The Honorable John A. Boehner  
Speaker of the House  
H-232, U.S. Capitol  
Washington D.C., 20515

The Honorable Nancy Pelosi  
House Minority Leader  
H-204, U.S. Capitol  
Washington D.C., 20515

The Honorable Eric Cantor  
House Majority Leader  
H-329, U.S. Capitol  
Washington D.C., 20515

The Honorable Steny Hoyer  
House Minority Whip  
H-148, U.S. Capitol  
Washington D.C., 20515

Dear Speaker Boehner, Leader Pelosi, Leader Cantor, and Whip Hoyer:

We write to urge extension of the highly successful grant program for specified energy property in lieu of tax credits (the “1603 Treasury Grant Program”) before it expires on December 31, 2011. Since enactment, this program has leveraged more than \$22.8 billion in private sector investment for 22,000 projects across the clean energy industry, including solar, wind, biomass, fuel cells, combined heat-and-power, and hydro, in all 50 states. Extension of this successful and effective program will create jobs, spur economic growth, and promote private sector development of clean energy technologies.

Prior to the 2008 financial crisis, clean energy project developers primarily relied on tax equity partnerships with investors to utilize clean energy tax incentives. Since 2008, however, the availability of tax equity declined dramatically. According to a report issued by the Bipartisan Policy Center in March 2011, the number of tax equity investors shrunk by nearly half, with associated tax equity financing tumbling over 80 percent from \$6.1 billion in 2007 to \$1.2 billion in 2009. This decline severely limited the financing available for energy projects.

Congress enacted the 1603 Treasury Grant Program to restore the availability of financing for renewable energy projects and to create domestic jobs in a hard hit sector of the economy. Under the program, developers receive a federal grant in lieu of the tax credit—changing the timing of when the energy incentive can be claimed. This change in timing, however, provides the liquidity and funding needed to develop domestic energy projects. As a result, the program underpinned strong growth in the renewable energy sector during the current economic downturn.

Despite some improvement, the tax equity market is still unable to support the clean energy industry adequately. In July 2011, the U.S. Partnership for Renewable Energy Finance surveyed tax equity investors and found that expiration of the program would shrink the total financing available for renewable energy projects by 52 percent in 2012. Allowing the 1603 Treasury Grant Program to lapse would eliminate tens of thousands of jobs across all clean energy industries. Given the program's importance, as well as its proven record of success, we urge you to include its extension in any year-end legislation considered by the House.

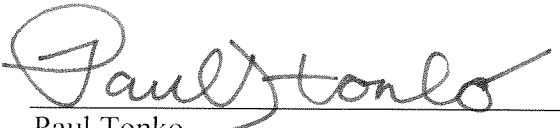
Sincerely,



Earl Blumenauer  
Member of Congress



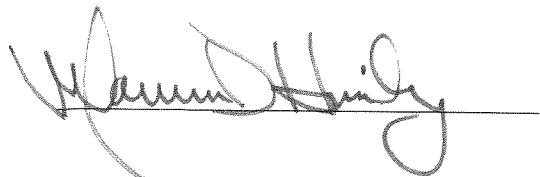
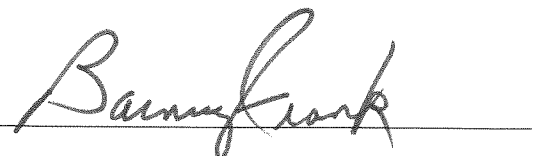
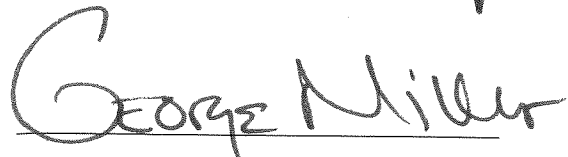
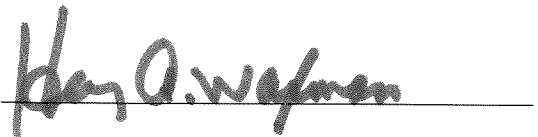
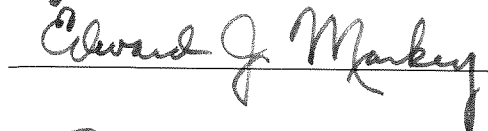
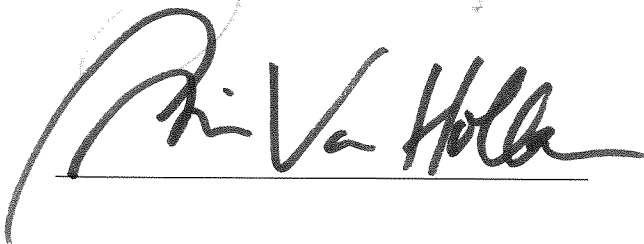
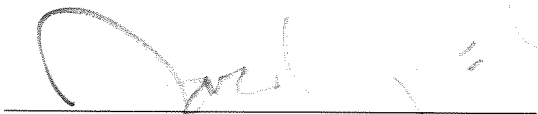
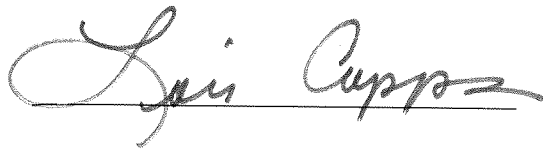
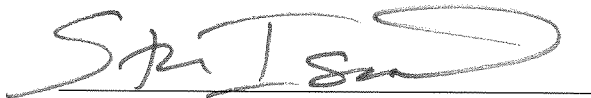
Rush Holt  
Member of Congress



Paul Tonko  
Member of Congress



Mike Thompson  
Member of Congress



David E. Connolly

Rich Harper

Shelley Berkley

Jim Lanzetta

Joe Courtney

Boris O. Matsui

Joe Paramondi

Frank Featly

Ben N. Lynn

Mike

Ray Miller

Jim McDevitt

John W. Orr

Mike Quigg

Joe McFly

Dolores J. Schmitz

Paul U. Abin

John Lyons

Carap M. Maloney

Richard E. Hall

Howard L. Berman

Barbara Lee

Lynn Woolsey

Paul E. Wellstone

Eleanor Holmes Norton

Pat Roberts

Chell R

Tim Ryan

Ernie C

Zoe Lofgren

Ann C

Grace F. Napolitano

Raul M. Grijalva

Michael M. Honda

John Carlin

STAN AL

Bob Felner

Lucille Foybal Allard

Gene Beckstrom, Esq.

Bill Owen

C.A. Ruth Ruppertberg

Peter Welch

BRIAN HIGGS

Mazie K. Hirono

Steph S. Lynd

Michael H. Michael

Paul Shum

Janis Adette

John Russell

Dorey L. Ackerman

Rosa Dehaan

Wm G. Eshoo

M/SF

John F. Teague

Pete Stark

Sam Tan

Bob Bell

Marcy Kipton

Frank J.

Jillie Speer

James Baker

Walt Schrad

Norm Nichols

Jim M

Tom J. Wady

Nicki Frongos

Leonard L. Bassely

Dave Laebach

Jim Wyman

Daniel Price

Bill Q

Jim Moran

Linda J. Green

Paul Zich

Judy Chen

Mike McAntye

CC: The Honorable Dave Camp, Chairman, House Ways & Means Committee  
The Honorable Sander M. Levin, Ranking Member, House Ways & Means Committee