

United States Senate

WASHINGTON, DC 20510

December 7, 2011

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

The Honorable Max Baucus
Chairman, Senate Finance Committee
United States Senate
Washington, DC 20510

The Honorable Orrin Hatch
Ranking, Senate Finance Committee
United States Senate
Washington, DC 20510

Dear Majority Leader Reid, Republican Leader McConnell, Chairman Baucus, and Ranking Member Hatch:

We are writing to urge your support for the extension of key expiring clean energy and efficiency tax provisions that create jobs and protect our environment. Allowing these incentives to expire would harm the U.S. economy, eliminate tens of thousands of jobs, and sideline billions of dollars of private sector capital investments. In particular, the renewable energy industry would be negatively impacted by an expiration of provisions.

One of the most critical tax provisions set to expire this year is the 1603 Treasury Grant Program (TGP), which has provided a way to finance renewable energy projects despite the breakdown of tax equity markets and has proven a particularly effective job creation tool. Over the last two and a half years, the TGP has leveraged nearly \$23 billion in private sector investment for 22,000 projects in every state and across a dozen clean energy industries, including solar, wind, biomass, fuel cell, combined heat-and-power, and hydropower projects. To date, the program has spurred the construction of sufficient new generation capacity to power more than one million American homes and has supported roughly 290,000 U.S. jobs. Allowing the TGP to expire would shrink financing available for renewable energy projects by 52 percent, according to a July 2011 survey by the U.S. Partnership for Renewable Energy Finance. This would kill tens of thousands of jobs across all clean energy industries and states.

We have seen what happens when these credits expire. The biodiesel production tax credit lapsed in 2010, and fuel production dropped dramatically, shuttering dozens of plants and putting thousands of people across the country out of work. Given our nation's urgent need for more transportation fuels from domestic sources that are both secure and environmentally sound, we cannot let that happen again. With the biodiesel tax credit in place again for 2011, domestic production has more than doubled, supporting more than 31,000 jobs and generating at least \$3 billion in GDP and \$628 million in federal, state, and local tax revenues.

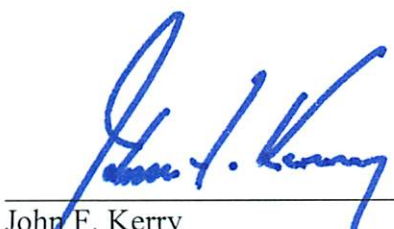
We also support additional funding for the Advanced Energy Manufacturing Tax Credit (48C), which has leveraged timely private investments in new, expanded, or re-equipped advanced energy manufacturing projects throughout the country. The program has been able to leverage

\$5.4 billion in private investment, boosting growth and creating new U.S. manufacturing jobs producing components and equipment for the burgeoning global renewable energy industry. Applications to the program have far exceeded the program's original allocation, indicating a tremendous potential for continued investment and job creation in the manufacturing sector. Without funding for programs like this, we effectively forfeit clean energy manufacturing to countries like China.

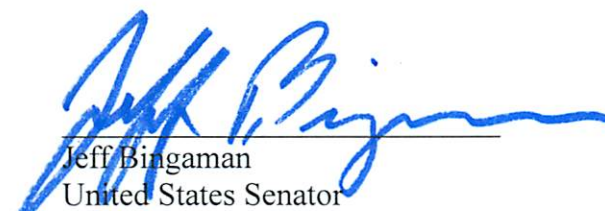
The Production Tax Credit (PTC) has facilitated tens of billions of dollars in new clean energy generating capacity, particularly in the wind industry, which has created thousands of new manufacturing and construction jobs in many of the hardest hit parts of our country. Last year, new wind power represented over one-third of all new U.S. electricity generation capacity. This is an industry in which the United States currently has a trade surplus with China, Brazil, and other fast-growing developing economies. We need a timely extension of the PTC to keep these jobs in the U.S. and provide certainty to investors.

These expiring tax provisions have demonstrated their effectiveness in catalyzing private investment and job growth, spurring U.S. technological innovation, and diversifying our nation's energy mix. In light of the critical role these incentives and others have played in fostering U.S. economic growth, now is not the time to let them lapse, even temporarily. We believe it is important these critical tax provisions be part of any year-end tax legislation.

Sincerely,



John F. Kerry
United States Senator



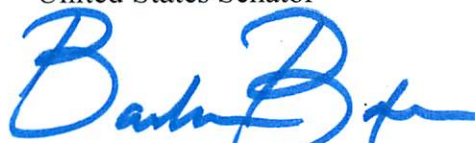
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United States Senator



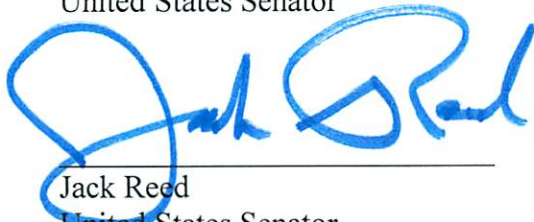
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United States Senator



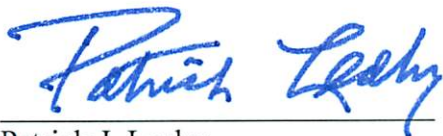
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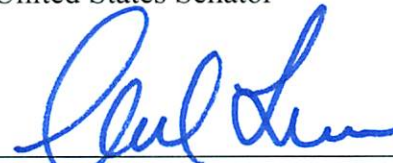
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