



President Barack Obama
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500

August 9, 2010

Dear Mr. President,

The Administration's stated goal to dramatically increase the use of renewable energy has been placed at serious risk by the Senate action to rescind \$1.5 billion in critical funding for renewable energy loan guarantees when it voted on the state-aid bill, H.R. 1586. Last summer, \$2 billion was "borrowed" and used to fund an extension of the "Cash for Clunkers" program. With this week's additional rescission, a total of \$3.5 billion in funding has been rescinded, representing the loss of \$35 billion in private sector clean energy investment. The loss of these loan guarantee funds combined with the impending expiration of the Treasury Grant Program at the end of this year could send solar development into a tailspin that will be difficult to reverse.

Last month, you announced loan guarantees for two solar companies; one for a 280-megawatt power plant in Arizona and the other for manufacturing facilities in Colorado and Indiana. Combined, these projects alone will create more than 5,000 jobs and are strong evidence that the loan guarantee program can produce positive results. There are dozens of job-creating renewable energy projects like these awaiting loan guarantees from DOE, which are now placed at serious risk by the Senate's action.

In the *American Recovery and Reinvestment Act*, the Section 1705 Loan Guarantee Program was appropriated \$6 billion to provide loan guarantees for an estimated \$60 billion worth of new renewable energy generation, renewable property manufacturing, and transmission facilities. The cumulative effect of these two cuts is so deep that it will reduce the loan guarantees available to the point where many applications for projects similar to those that you announced last month will be denied. Moreover, unless Congress and the Administration act quickly to extend the Section 1603 Treasury Grant Program beyond December 31, 2010, solar development will be dealt another severe blow in the coming months. This would be tragic for our economy and environment and completely counter to the Administration's policy goals for renewable energy and job creation.

To reverse this very troubling trend we urge the Administration and Congress take the following steps:

- Swiftly restore both the \$1.5 billion loan guarantee cut proposed by the Senate and last year's \$2 billion cut. If Congress fails to act in the short-term, the Administration should "reprogram" existing funding to the Section 1705 program.
- Direct DOE and OMB to take every step necessary to expedite the closing of loan guarantees.
- Enact a two-year extension of the Treasury Grant Program due to the continued lack of tax-equity to finance renewable projects and the slow processing of loan guarantees.

The Administration's goal of transforming the U.S. energy sector into a clean and renewable system is just as valid today as it was when the loan guarantee and Treasury Grant programs were created in early 2009. For their full benefit to be realized there must be sustained support from the Administration and the Congress.

In closing, Administration leadership is sorely needed to preserve the system of support and incentives for renewable development that was established 18 months ago right when it is on the verge of making dozens of clean energy projects a reality.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rhone Resch". The signature is fluid and cursive, with the first name "Rhone" and last name "Resch" clearly distinguishable.

Rhone Resch
President & CEO
Solar Energy Industries Association

CC: Speaker Pelosi
CC: Majority Leader Reid
CC: Secretary Chu
CC: Acting Director Zients