



The Honorable Nancy Pelosi
Speaker of the U.S. House of Representatives
H-232 Capitol Building
Washington, DC 20515

August 6, 2010 (Updated August 9, 2010*)

Dear Speaker Pelosi,

On behalf of our member companies and thousands of employees in the renewable energy sector across the United States, we are writing to express our strong opposition to the proposed rescission of \$1.5 billion from the Department of Energy's (DOE) Loan Guarantee Program for renewable energy and transmission. This measure was added by the Senate to H.R. 1586, the state-aid bill that the House is scheduled to consider early next week.

We know you agree that expanding our use of renewable energy is an important national priority. The DOE Loan Guarantee Program is an effective way to launch new projects and create tens of thousands of new jobs in the clean energy economy.

For example, last month President Obama 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. A wind farm in Hawaii received a final loan guarantee from DOE in July as well. Additional projects from across the renewable energy sector (hydropower, biomass, geothermal, wind and solar) are looking to utilize the program – all of which are put at risk by the Senate's action. This reduction in funding severely limits the DOE's ability to support the suite of renewable resources through the loan guarantee program. Further, a solicitation for manufacturers of commercial renewable energy technologies has not even been released yet by DOE. The proposed cut makes it likely that manufacturers of commercial renewable technologies will not be able to take advantage of the DOE Loan Guarantee Program.

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. Last summer, \$2 billion was used to fund an extension of the "Cash for Clunkers" program. With this latest rescission, a total of \$3.5 billion will be eliminated from the program, and many pending projects will go unfunded. An estimated private sector investment of \$30 to \$35 billion will be squandered.

These two cuts will significantly undermine the DOE Loan Guarantee Program. Failure to act on the Treasury Grant Program and other tax incentives or to restore funding to the DOE Loan Guarantee Program will jeopardize the renewable energy industries' efforts to develop clean electric generation and create tens of thousands of jobs. We urge you to work with the Administration and the Senate to reverse these cuts and restore funding for the renewable energy loan guarantee program.

Thank you for your continued leadership on expanding the nation's use of renewable energy.

Sincerely,



Denise Bode
CEO
American Wind Energy Association



Karl Gawell
Executive Director
Geothermal Energy Association



Linda Church Ciocci
Executive Director
National Hydropower Association



Bob Cleaves
President
Biomass Power Association



Rhone Resch
President and Chief Executive Officer
Solar Energy Industries Association

* Letter updated August 9, 2010 to reflect the support of the Geothermal Energy Association and the Biomass Power Association.

CC: All House members