

Congress of the United States
House of Representatives
Washington, DC 20515-3222

November 23, 2009

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

The Honorable Steny H. Hoyer
House Majority Leader
H-107, U.S. Capitol
Washington, DC 20515

The Honorable David R. Obey
Chairman, House Appropriations Committee
H-218, U.S. Capitol
Washington, DC 20515

Dear Speaker Pelosi, Majority Leader Hoyer, and Chairman Obey:

As the House continues to consider the establishment of legislation to further create jobs throughout the country, I wanted to bring to your attention some policies that, if implemented, could significantly contribute to the creation of sustainable and good-paying jobs for American workers.

One of the key elements in this year's American Recovery and Reinvestment Act (ARRA) were the significant investments made in the renewable energy industry. By prioritizing this industry in the stimulus bill, the Congress was recognizing that investing in new technologies represented the best path towards sustainable job creation. However, it is widely believed by industry observers and researchers that the investments made in ARRA fall far short of what is necessary to continue to propel the United States as a world leader in renewable energy development. European nations and China have been outpacing the United States in investments in renewable energies and, as a result, they have been significantly more effective at creating the high-tech, sustainable jobs that are associated with investments in this industry. The jobs bill that we are currently crafting presents us with an outstanding opportunity for the United States to emerge as a leader in renewable energy innovation and development.

One initiative with the potential to positively affect the renewable energy industry is the incorporation of a renewable energy standard (RES) into the bill. The House recently passed the American Clean Energy and Security Act (ACES), which contained an RES requiring utilities to receive 20 percent of their load from renewable sources and electricity savings. As you know, the fate of climate change legislation is uncertain and therefore, the implementation of the RES is in question. I urge you to consider incorporating a strong and effective RES in the jobs bill -- one that sets the

same standard as ACES, but on a much more aggressive timetable and one that separates renewable energy and energy efficiency components. An RES would lay the foundation for aggressive job growth while not contributing a penny to the national debt.

A University of California (UC) report concludes that between 188,000 and 240,850 jobs could be created if 20 percent of U.S. energy came from renewable sources by 2020. Additionally, because job growth in the solar industry outpaces growth in other renewable technologies (it is estimated that solar jobs could be created at a rate of nearly 40 jobs per megawatt (MW) while the next highest technology sector, biomass, creates only 12 jobs per MW produced), I recommend reserving 20 percent of the RES for solar-generated power. Incorporating an aggressive and sustainable RES would initiate market growth in the United States on par with that of China, resulting in private investment in our nation's research and manufacturing fields that could potentially create hundreds of thousands of new jobs. For this reason, I believe it should be a key component of any jobs bill that Congress considers.

To further support investments in the renewable energy industry resulting in significant job creation, I recommend incorporating the Clean Energy Deployment Administration language from the ACES bill into this jobs bill as well. This provision would create a Green Bank from which much-needed capital could be deployed into the renewable energy industry to better address the challenges facing private investors during this time of economic turmoil. The resources flowing from the Green Bank would leverage existing federal investments and private capital and, combined with a more robust renewable market, would yield significant job growth. In order to be most effective, I recommend an initial capitalization amount of \$10 billion.

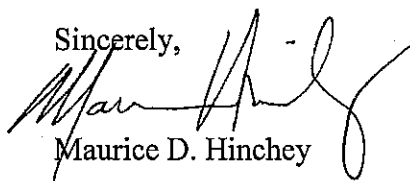
Finally, I also recommend the incorporation of the Solar Manufacturing Jobs Creation Act into the jobs bill. This provision would add equipment used to manufacture solar energy-generating property to the eligible property list of the existing Section 48 commercial solar investment tax credit (ITC). Current law provides a 30 percent tax credit for solar energy-generating property placed in service in the United States before January 1, 2017 as extended in the 2008 Financial Stabilization Act. The provision would allow a 30 percent credit for investments in equipment placed in service in U.S. manufacturing facilities before January 1, 2017.

The greatest potential for job growth in our current economy lies within the renewable energy industry. It is incumbent upon us to at least keep pace with investments in this industry currently being realized in China and Europe in order for us to compete in the global marketplace. These recommendations represent the most effective actions that we as a Congress can engage in to promote investment and growth in this critical emerging industry.

Thank you for your continued leadership on this issue. I appreciate your consideration of these recommendations and would be available to meet with you should you like to discuss them further.

Warm regards.

Sincerely,

A handwritten signature in black ink, appearing to read "Maurice D. Hinchey", written over a horizontal line.

Maurice D. Hinchey