



The Honorable Harry Reid  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, DC 20510

February 3, 2009

**Help the Federal Government Save Money and Create Tens of Thousands of Jobs:  
Support the Bingaman Amendment Authorizing Long-Term Power Purchasing**

Dear Leaders Reid & McConnell:

We are writing to urge your strong support for a floor amendment being offered by Senator Bingaman to the *American Recovery and Reinvestment Act of 2009*. The Bingaman Amendment provides federal agencies with the authority to enter into renewable energy power purchase agreements (PPA) for up to thirty years.

Current federal law limits the length of federal renewable energy power purchase agreements to 10-years. For instance, solar projects are not financially viable under this truncated timeline because it takes approximately 10 years for the solar developer to fully amortize their investment. Allowing a 30-year term would allow federal agencies to lower their electricity bills, reduce carbon and other polluting emissions, and help ensure energy security for the country. Deployment of renewable energy resources like wind and solar on federal properties will also allow the federal government to make better use of its assets and lead by example.

The Bingaman PPA Amendment would allow a federal agency to contract with a renewable energy developer to install renewable electricity technology on its federal property. In order to avoid the up-front cost—often the largest barrier to installation—the equipment is installed at no cost to the federal agency. In turn, the agency agrees to purchase electricity from the power plant for an extended period (usually 30 years). Under the terms of a PPA, the developer assumes the risks and responsibilities of ownership, including purchases of equipment, operation, and maintenance. Because of the duration of the power purchase agreement, the cost of electricity offered through a PPA is less than the cost of existing electricity from the local electricity service provider.

The PPA financing model is changing the way renewable energy projects are financed in America. The most pointed example concerns solar energy. Over eighty-five percent of all commercial installations of solar property in 2008 used the PPA financing tool. The PPA model

will be no less pivotal to the deployment of renewable energy on federal properties. Deploying renewable energy becomes far easier when there is no money down and no technology or ownership risks and responsibilities. Finally, the PPA model yields net-present savings in the first year of the contract and every year thereafter.

The potential for federal agency use of renewable energy systems is great. The Federal government is the largest utility customer in the U.S. and spends \$5.8 billion annually on electricity costs. More than 350 million square feet of federal buildings could generate approximately 2,000 MW of solar electricity or enough power for 500,000 homes. Wind and solar power plant development on less than 1% of BLM-managed land could generate approximately 70,000 MW or enough power for 20 million homes. Finally, hundreds of federally controlled Superfund sites across the country could be converted into renewable energy farms under a “brownfields to greenfields” program.

A massive private-sector investment in renewable energy systems (wind, solar, geothermal, etc.) to power the federal government (including military operations) will lower federal electricity bills, reduce carbon and other polluting emissions, and help ensure energy security for the country.

Please vote for the Bingaman PPA Amendment.

Sincerely,



Rhone Resch  
President & CEO



Denise Bode  
CEO