

Congress of the United States

Washington, DC 20515
December 9, 2009

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

Dear Chairman Obey,

We write to express our strong support for replenishing \$2 billion in funding for the Department of Energy's renewable energy loan guarantee program that was rerouted in July to support other pressing economic recovery purposes. Clean energy development is an important economic driver and job generator and we support reinstating funding for this successful program in future legislation.

On July 31, 2009, the verdict was in on the first round of Cash for Clunkers funding: it was a win for consumers trading in old gas guzzlers for new hybrids, a win for the recovering economy, and a win for energy independence and the environment as the new vehicles averaged 60 percent more fuel efficient than the vehicles being taken off the road. Congress, with your leadership, rightly decided at that time to extend the program by transferring an additional \$2 billion from the renewable energy loan program, which was not projected to be tapped within the next several months. The Cash for Clunkers program ultimately helped consumers who turned in gas guzzlers buy nearly 700,000 more fuel efficient vehicles in fewer than 30 days.

With job creation continuing to be a top priority, we must now work to reinstate funding for the important renewable energy loan guarantee program. The colloquy between Chairman Markey and yourself before the full House on July 31—as well as the statements made by Representative Inslee and Speaker Pelosi during the debate on that bill—demonstrated the strong support for achieving this goal in our Caucus.

Back in February, Congress sent a very strong signal of commitment to the renewable energy industry. As part of the \$80 billion in investments in clean energy and energy efficiency included in the American Recovery and Reinvestment Act (ARRA) was a commitment of \$6 billion in loan guarantees for renewable energy systems, electric transmission systems, and leading edge biofuel projects. This loan guarantee assistance allows \$1 billion in public investment to leverage up to \$10 billion in private investment. With credit markets drying up, this and other ARRA support has provided critical financing that has helped the industry avoid a 50 percent or greater market contraction that many in the renewable industries feared awaited in 2009. Instead, the second and third quarters of 2009 have seen \$4.5 billion in new investment in renewable energy, almost twice as much new investment as was seen during the prior 6 months, according to New Energy Finance. The wind industry has announced at least \$10 billion in new U.S.-based wind projects in just the last few months. Thanks largely to federal policy, critical renewable energy industries are not only surviving the economic recession but generating important growth and creating good, high-paying construction and manufacturing jobs.

The Department of Energy anticipates that the \$4 billion in loan guarantee support that was left after Cash for Clunkers will be exhausted during 2010. Restoration of the \$2 billion to provide it with the full \$6 billion in funding Congress originally approved will allow the Department to continue committing loan guarantees through 2010. It will support the development of an additional 3,000 to 5,000 megawatts of renewable energy generation capacity.

Clean energy industrialization is already happening in the United States. Domestic wind manufacturing has increased from less than 25 percent of turbine value prior to 2005 to roughly 50 percent today. Domestic turbine and turbine component production has increased by a factor of 12 in just five years. Continuing to build this strong renewable energy industry will require a stable and predictable policy environment. Replenishing the renewable energy loan guarantee fund will provide affordable financing for key renewable industries over the near-term and advance the administration's goal of doubling renewable electricity generation over the next three years. Over the long term, passage of the Waxman-Markey American Clean Energy and Security Act into law will provide a comprehensive solution that will spur innovation, drive demand for new technologies, and provide financing mechanisms to bring technologies to market.

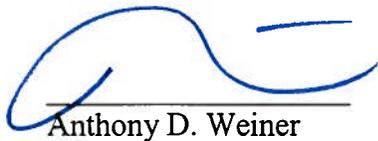
We look forward to continuing to work with you in advancing clean energy development and reinstating funding for the renewable energy loan guarantee program. Thank you for your attention to this matter.

Sincerely,


Edward J. Markey


Henry A. Waxman


Betty Sutton

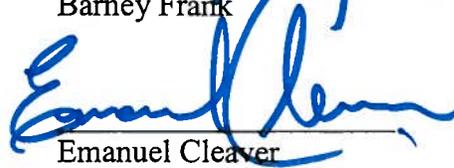

Anthony D. Weiner


Betsy Markey

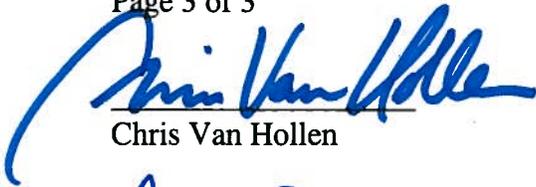

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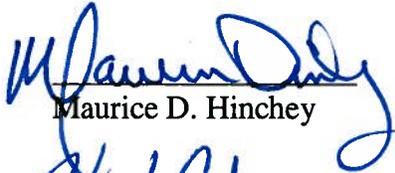

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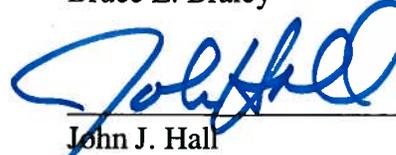

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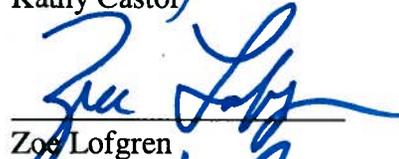

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