



December 7, 2010

The Honorable Harry Reid
522 Hart Senate Office Building
Washington, DC 20510

The Honorable Nancy Pelosi
235 Cannon House Office Building
Washington, DC 20515

The Honorable Mitch McConnell
361A Russell Senate Office Building
Washington, DC 20510

The Honorable John Boehner
1011 Longworth House Office Building
Washington, DC 20515

Dear Senator Reid, Madam Speaker, Senator McConnell, and Representative Boehner:

On behalf of the renewable energy industries in the U.S., we are writing in follow-up to our November 2nd letter to emphasize the urgency of extending the deadline for the renewable energy convertible tax credit provided under Section 1603 of H.R. 1. The start of construction deadline for this program expires at the end of this year and legislation introduced in both chambers would extend the program. If such legislation is not enacted this year, we will experience a significant slow down in the renewable energy industries, resulting in the loss of American jobs and further transfer of clean energy leadership to other countries. For example, preliminary numbers indicate that without an extension of the 1603 program, the wind industry alone will permanently lose one quarter of its budding workforce. The threat of these imminent jobs losses is why the renewable energy industries agree that of all financial incentives, an extension of the Section 1603 construction deadline is our primary priority during the lame duck session.

The Section 1603 convertible investment tax credit program has been extremely effective at keeping Americans working. At a time when the recession had brought project construction nearly to a halt, the Section 1603 program immediately restarted stalled projects and saved tens of thousands of corresponding jobs. This year, a study by Lawrence Berkeley National Laboratory found that the Section 1603 tax credit enabled hundreds of renewable energy projects to move forward and saved over 55,000 American jobs in the wind industry alone. In addition, a jobs census recently conducted by the Solar Foundation found that there are over 93,000 solar workers in the United States, roughly double the number estimated for 2009. Section 1603 was a key factor in this dramatic job growth.

Although there are signs our economy is improving, ongoing limitations in the tax equity market and sluggish economic growth are limiting renewable energy growth. As a result, the value of existing tax credits for renewable energy generation are uncertain and may not be sufficient to support even modest growth of the renewable energy market. An extension of the Section 1603 convertible investment tax credit would resolve these limitations.

If Congress acts to extend the construction deadline of the Section 1603 program, the renewable industries expect to see significant job growth as a direct result. With an extension, the wind industry expects to create 20,000 new jobs in 2011 over the business-as-usual scenario. Similarly, the solar industry will create 25,000 jobs next year and 40,000 new jobs in 2012 over the business-as-usual scenario if an extension is passed. Continued federal policy support for geothermal energy, including a Section 1603 extension, would lead to the creation of 11,200 jobs. The extension will also lead to the creation of thousands of jobs in the biomass and hydropower sectors.

We would appreciate your efforts to ensure that the extension of the construction date for the Section 1603 renewable energy convertible investment tax credit is included in the final tax bill that is considered this year. Thank you for your attention to this issue.

Signed,

Denise Bode, CEO
American Wind Energy Association

Bob Cleaves, President & CEO
Biomass Power Association

Karl Gawell, Executive Director
Geothermal Energy Association

Linda Church Ciocci, Executive Director
National Hydropower Association

Rhone Resch, President & CEO
Solar Energy Industries Association