



November 2, 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 to urge you to extend 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 during the lame duck session, 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. That 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.

Every job saved and created was an American job. By law, every project was required to be built in the U.S. and the program was a "reimbursement" for investments made in the U.S. Renewable energy manufacturing has grown dramatically in this country over the past several years, which has led to aggressive competition among states and their Governors to attract hundreds of new manufacturing facilities. The cost of transportation, need for quality control, existing manufacturing infrastructure, and sophisticated skill sets needed to supply the renewable energy industries lend themselves to further expansion of U.S. manufacturing.

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.

We look forward to working with you in the coming weeks to extend the start of construction date for the Section 1603 renewable energy convertible investment tax credit. 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

Ted Michaels, President  
Energy Recovery Council

Linda Church Ciocci, Executive Director  
National Hydropower Association

Rhone Resch, President & CEO  
Solar Energy Industries Association

CC: Members of the Senate Finance Committee and House Ways and Means Committee