



November 10, 2010

United States Senate  
Washington, DC 20510

Dear Senator:

On behalf of the undersigned companies, we write to highlight the critical need for increased deployment of energy storage technologies in the United States, and strongly encourage you to support the adoption of federal incentives to accelerate the large public benefits of energy storage projects.

Energy storage systems consist of a broad range of technologies, such as batteries, flywheels, thermal systems, large-scale pumped hydropower, compressed air energy storage, and others.

Energy storage incentives are crucial to a timely, cost-effective transition to America's new, clean energy economy. Proposals to establish investment tax credits and eligibility in Clean Renewable Energy Bonds for energy storage technologies will spur deployment, jobs, and strengthen our electric grid. These drivers should inspire innovation while carefully supporting only the most meritorious projects.

Earlier this year, KEMA, a leading energy consulting, testing and certification firm, released an analysis of similar energy storage tax credit legislation. It concluded that with incentives the energy storage industry can create approximately 114,000 incremental, direct jobs over 10 years. The report goes on to state that, "energy storage legislation...will move us closer to the realization of the smart electricity grid of the future, characterized by the full integration of renewable energy, better reliability, and more demand response and emissions control capabilities."

Federal tax incentives will greatly expand domestic manufacturing and widespread installation of projects. Rapid deployment of these technologies offers significant potential to reduce both the nation's greenhouse gas emissions and costs to consumers and business owners.

Support from Congress will provide a necessary market signal for energy storage through the adoption of appropriate investment and policy incentives. Senators Bingaman, Snowe, Wyden, Shaheen, and Collins have already displayed tremendous leadership on energy storage - we believe this is an essential step. We respectfully urge Congress to move quickly to create a robust and cost-effective incentive program.

Sincerely,

**A123 Systems**

David Vieau  
President and CEO

**AES Energy Storage**

Chris Shelton  
President

**Aquion Energy Inc.**

Ted Wiley  
Chief Operating Officer

**Beacon Power Corporation**

F. William Capp  
President and CEO

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David Nemtzow  
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