



January 23, 2009

The Honorable Max Baucus, Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Charles Grassley, Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Daniel Inouye, Chairman
Senate Committee on Appropriations
The Capitol S-128
Washington, DC 20510

The Honorable Thad Cochran, Ranking Member
Senate Committee on Appropriations
S-146A The Capitol
Washington, DC 20510

Dear Senators Baucus, Grassley, Inouye, and Cochran:

The Business Council for Sustainable Energy, a coalition of clean energy and energy efficiency businesses and trade associations, commends the Senate for its swift consideration of legislation to reinvest in, and stimulate, the American economy. The Council is encouraged by the intent to include significant tax and funding provisions for clean energy deployment in the American Reinvestment and Recovery Act of 2009. The Council believes these investments and tax incentives will bolster the American economy and get people back into the workforce, while helping to transform the United States into a 21st century clean energy economy.

The Council supports passage of an economic recovery bill that includes funding, tax credits, and incentives to deploy existing clean energy sources and technologies, including wind, solar, geothermal, hydropower and water energy, natural gas, renewable bio-gas, advanced batteries, biomass, fuel cells, and for the recycling of waste heat streams, among others.

The Council strongly encourages the Senate to include in its legislation broad investments in energy efficiency through existing programs similar to the provisions and funding levels included in the House legislation. Of note, the House provided significant funding and incentives for Smart Grid initiatives, industrial energy efficiency, energy efficiency and conservation in federal and commercial buildings, energy efficiency housing retrofits and weatherization programs. In the interest of deploying funds rapidly, we encourage you to utilize existing state and local programs, partnerships, and contracts with private sector entities working on energy efficiency and renewable energy programs.

The Council also supports the inclusion of tax incentives for renewable energy deployment in the economic recovery legislation. The Council believes that restructuring and extending the renewable energy production tax credit, and the other important renewable energy tax benefits, such as accelerated depreciation, are essential to continued industry growth and the creation of thousands of jobs in the U.S. The Council encourages the Senate to adopt the language approved by the House Ways and Means Committee that allows a renewable energy developer to exchange a 30% ITC for an equivalent cash grant from the Department of Energy for projects that are placed in service during 2009 and 2010. The cash grant option is a key to stimulating renewable energy investment and development in the current economic environment.

The Council would like to encourage consideration of these requests, as well as those included in the attached detailed summary of our coalition's economic recovery recommendations. In addition, we offer the following areas that were not addressed fully in the House legislative proposals for your consideration in advance of possible Senate committee action next week.

Building Efficiency

- The legislation should include bonus depreciation for energy efficient roof replacements in commercial buildings.

Building Efficiency (continued)

- The legislation should include \$25 million for building codes inspector training that was authorized under the Energy Policy Act of 2005, and Congress should authorize and appropriate another \$75 million for a total of \$100 million for this training.
- While the Council strongly agrees with the extension of the energy efficiency and conservation tax credits under sections 25(c) and (d) of the Ways and Means Committee bill, to be consistent with the commercial building incentives, the tax credit for new and existing homes should be extended to 2013.

Accelerate, Aggregate and Leverage Clean Energy Investments

- The legislation should accelerate and leverage federal procurement of green power, distributed energy (remote, back-up and on-site infrastructure, including advanced metering systems), energy efficiency and renewable energy in federal buildings. The legislation should also allow the federal government to aggregate procurement with state and local governments, and should include incentives for non-federal and private procurement.

Tax Parity for Renewable Energy

- The legislation should provide tax parity for all renewable technologies, which currently only receive half-credit, and should consider tax parity for new emerging renewable technologies.

The Council believes the right policies, coupled with the investments in research, development, and deployment of readily available clean energy technologies would help the United States emerge as a global leader in the new green economy and put millions of people to work. The Council strongly encourages the Senate to consider adopting these recommendations and to take quick, decisive action to enact the economic recovery legislation.

Sincerely,



Lisa Jacobson
Executive Director

Cc: Members of the Senate Committee on Appropriations
Members of the Senate Committee on Finance

Attachment

The Business Council for Sustainable Energy

The Council is an industry coalition that includes over 60 businesses and trade associations representing the energy efficiency, renewable energy and natural gas industries. These industries showcase a suite of currently available technology options that can strengthen domestic energy security and also reduce emissions of greenhouse gases that contribute to global climate change.

For over a decade the Council has represented the views of clean energy technology industries in the development of energy and climate change policy at state, regional, federal and international levels. For additional information about the Council, please visit its website at www.bcse.org