## Congress of the United States Washington, DC 20515

December 13, 2010

The Honorable Nancy Pelosi Speaker of the House U.S. House of Representatives H-232, The Capitol Washington, DC 20515 The Honorable Steny Hoyer Majority Leader U.S. House of Representatives H-107, The Capitol Washington, DC 20515

## Dear Madam Speaker and Leader Hoyer:

As members who support extending, through 2012, the successful renewable energy grant program, we are writing to request that any forthcoming tax legislation not only extend the program but also expand it to apply to consumer-owned municipal utilities and rural electric cooperatives and maximize benefits to customers.

Section 1603 of the American Recovery and Recovery Act – the Treasury Grant Program (TGP) – has been widely credited with helping American companies invest in renewable energy alternatives, access financing, reduce harmful emissions and create thousands of jobs. Specifically, it provides renewable energy developers and private utilities with a 30 percent grant, in lieu of renewable tax credits, which has reduced the impact of the financial crisis on renewable energy development.

Recent studies have indicated that extending the TGP by two years, rather than allowing this important program to expire, would generate an additional 56,000 jobs in the wind, solar and geothermal energy industries, and significantly reduce the cost of developing alternative energy projects.

By modifying the TGP to apply to not-for-profit, consumer-owned utilities, the cost of renewable energy development would be reduced for municipal and cooperative electric systems, which collectively serve more than 25 percent of retail electric consumers, or 45 million individuals nationwide. This would provide parity, in terms of this federal incentive, to public power, which has experienced the same difficult market conditions as private developers. And it would allow consumer-owned utilities to directly develop and own renewable resources, instead of buying energy under a power supply contract with a third party. Direct ownership will ensure that all the benefits of the incentives would be passed on to their customers. In addition, we encourage adjustment to the 1603 program to enable regulated utilities to pass on all federal benefits to consumers.

It is for these reasons that we urge you to endorse an extension of the Section 1603 program and modify it to include not-for-profit, consumer-owned utilities.

Thank you for your consideration of this request, and for your continuing efforts to advance

initiatives that promote renewable energy. Sincerely, DORIS O. MATSUI Member of Congress Member of Congress LOIS CAPPS Member of Congress Member of Congress GERALD CONNOLL DAVE LOEBSACK Member of Congress Member of Congress LEONARD BOSWELL Member of Congress Member of Congress JARPĎ POLIS **ED PASTOR** Member of Congress Member of Congress JUDY CHU MIKE HONDA Member of Congress Member of Congress

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Member of Congress