

*Washington, DC* - Congressman Maurice Hinchey (D-NY) this week helped lead a group of 11 House members in urging the House Appropriations Committee to include an extension of critical tax incentives for solar and other sources of renewable energy in a supplemental funding bill for the current fiscal year that is expected to be taken up by the panel as early as next week.

The congressman said the inclusion of the tax incentives, which have either already expired or will expire at the end of the year, are critical to the short and long-term goal of ensuring the United States is a leader in the development and widespread use of renewable energy. The congressman noted that the extension of the tax incentives are critical to efforts to expand the growing solar industry in upstate New York through The Solar Energy Consortium (TSEC).

"As of this writing, companies are abandoning clean energy construction projects across the country due to the uncertainty of these tax measures," Hinchey and his colleagues wrote in a letter sent April 29 to House Appropriations Committee Chairman David Obey (D-WI).

"Companies need to know that the tax credits will be extended before making investment decisions on projects that cannot be completed before the credits expire. The current situation threatens our economy at the very time we cannot afford another jolt. According to an independent economic consultant, if Congress fails to act soon to extend tax credits for wind and solar energy alone, 116,000 jobs and more than \$19 billion in investments will be lost."

At issue are credits for renewable energy production, investments in solar and fuel cell energy technologies, clean renewable energy bonds, and tax credits for energy efficient home appliances and commercial buildings. The House passed an extension of the tax incentives on three occasions in the past year and paid for them by eliminating subsidies for the major oil corporations. The Senate has approved similar extensions as part of a housing bill, but failed to include the elimination of subsidies to the energy industry. In their letter to Obey, Hinchey and his colleagues noted that it's imperative for the House and Senate to pass the renewable energy tax incentives in the same legislative bill so that it can receive final approval from both chambers. The congressman and his colleagues are trying to have the tax incentives included in the supplemental appropriations bill because that is a bill that will definitely be approved by both the House and Senate.

Hinchey helped organize and create TSEC, which is a new industry-driven, non-profit organization that provides leadership, organization, resources, and support for the establishment of a major solar energy industry cluster in New York. TSEC is the first organization of its kind for the photovoltaic industry, encompassing research and development, manufacturing facilities, industry promotion and market development. Earlier this year, TSEC partnered with its first major manufacturing partner, Prism Solar Technologies, which plans to bring more than 400 new jobs to upstate New York within 4-5 years. TSEC has also partnered

with six research universities throughout New York to work on the research needed to improve solar technology.

"As we work to make solar energy much more mainstream, we need to ensure tax incentives are in place to encourage the research and development of solar products as well as to make it much more affordable for families and businesses to purchase and install solar equipment," Hinchey said. "The Bush administration will do whatever it takes to ensure Big Oil has a large advantage over emerging sources of renewable energy. These tax incentives will help level the playing field so that renewable energy can really take off here in the United States."

In order to advance TSEC, Hinchey helped secure \$1.476 million in federal funds to help bring companies such as Prism Solar Technologies into the consortium. The congressman also secured final approval of \$3.2 million for C9 Corporation to conduct solar research and development in conjunction with TSEC. Additionally, Hinchey helped convince Empire State Development to contribute a \$1.5 million grant to attract solar energy companies to TSEC. Subsequently, the recently approved New York State budget includes \$6.5 million for TSEC. Ulster County has also committed \$200,000 to the consortium.

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The text of the letter from Hinchey and his colleagues to Obey follows:

April 29, 2008

The Honorable Dave Obey

Chairman, Committee on Appropriations

House of Representatives

Room H-218, The Capitol

Washington, D.C. 20515

Dear Mr. Chairman:

We respectfully request that the Committee on Appropriations include into the supplemental bill the extension of several clean energy tax incentives that either have already expired or will expire on December 31 of this year. These tax incentives include credits for renewable energy production, investments in solar and fuel cell energy technologies, clean renewable energy bonds, and tax credits for energy efficient home appliances and commercial buildings.

As of this writing, companies are abandoning clean energy construction projects across the country due to the uncertainty of these tax measures. Companies need to know that the tax credits will be extended before making investment decisions on projects that cannot be completed before the credits expire. The current situation threatens our economy at the very time we cannot afford another jolt. According to an independent economic consultant, if Congress fails to act soon to extend tax credits for wind and solar energy alone, 116,000 jobs and more than \$19 billion in investments will be lost.

Due to the efforts of our Democratic leadership, the House of Representatives has on three occasions passed legislation that would extend these tax credits. As you know, the Senate recently approved an amendment to the Foreclosure Prevention Act that also would extend the clean energy tax credits. If the House and Senate do not act soon to resolve their differences and find a common legislative vehicle, we fear that a disastrous result for clean energy investments and our nation's economy. Companies engaged in renewable energy and energy efficiency projects could divert investments overseas or halt their activities altogether.

We support efforts to extend several clean energy tax incentives. We further support your efforts to find the right venue to move these provisions and appreciate your understanding of the urgency at hand. Your continued leadership on these issues will support positive growth in our economy and protect generations to come from effects of climate change.

Sincerely,

Maurice Hinchey and his 10 House colleagues