

# Clean-energy policy debate heats up in U.S. Senate

*Senators Boxer, Feinstein fight to extend tax incentives due to die Dec. 31*

**Elizabeth Bewley, Palm Springs Desert Sun, 12-10-10**

Discussions about clean-energy policy have gained momentum in the nation's capital this week as industry executives and lawmakers — including California's Democratic Sens. Barbara Boxer and Dianne Feinstein — have urged the extension of clean-energy tax incentives scheduled to expire at the end of the year.

Rancho Mirage resident Boxer, Feinstein and 15 other Democratic senators sent a letter to Senate Majority Leader Harry Reid on Thursday urging Congress to include in a tax deal an extension of the stimulus-funded Treasury Grant Program, which offers grants for renewable energy projects that break ground before Dec. 31. The grants can cover up to 30 percent of a project's cost.

Among the projects looking to break ground by the end of the month is a large solar plant east of the Coachella Valley off Interstate 10 near Blythe.

Taxes have been a hot topic in Congress this week, after President Barack Obama proposed a compromise Monday that would extend for two years Bush-era tax cuts for Americans of all income levels — including those who make more than \$250,000 a year — and would extend unemployment benefits for 13 months. Without action, these programs would expire at the end of December.

Boxer, Feinstein and other senators said in their letter that clean-energy tax incentives must also be extended.

“We will have difficulty supporting tax legislation currently being drafted for Senate consideration that fails to include an extension of the Treasury Grant Program,” the senators wrote.

Since it began in 2009, the grant program has helped fund more than 1,465 projects nationwide and has created more than 55,000 jobs in wind energy alone, the senators said.

Industry executives and supporters, too, are beefing up their efforts to get clean-energy tax incentives added to tax legislation before year's end.

At the American Council on Renewable Energy's Washington summit on Thursday, the trade group's president, Mike Eckhart, said “inaction by Congress will put at risk important market momentum, substantial private investment and 200,000 jobs over the next two years.”

In a phone conversation with reporters on Thursday, Rhone Resch, CEO of the Solar Energy Industry Association, another industry group, said solar industry advocates are undertaking an “all-out effort” to get the program extended. The solar industry will create 65,000 jobs in the next two years with the extension of the grant program, he said.

But without an extension, he added, “instead of growing in 2011, we will contract, and instead of adding jobs to our economy, we will see more jobs lost.”

Denise Bode, CEO of the American Wind Energy Association, said the program's expiration would put 1,400 wind jobs at risk in California.

## **Benefits vs. cost**

Backers have argued the program's benefits far outweigh its relatively minimal costs.

For every \$2 the government spent on the grant program, private investors invested \$9, said Dan Weiss, director of climate strategy for the liberal Center for American Progress.

Opponents have said renewable-energy companies should not need to rely on government support.

Some Republicans have opposed extending the program because it was funded by the 2009 stimulus act, which Republicans — including Coachella Valley Reps. Mary Bono Mack and Jerry Lewis — have deemed a costly failure.

But both Lewis and Bono Mack voiced support for clean-energy tax incentives.

"Congresswoman Bono Mack has been a champion in Congress for solar development and corresponding tax incentives because of their positive impact on job creation in the 45th District and across the nation," said Bono Mack's spokeswoman, Anjulen Anderson, adding that the congresswoman will hold judgment on a tax deal until she has seen the legislation.

Lewis' spokesman, Jim Specht, said the congressman has supported tax incentives for renewable energy developers, but "he believes it is important to pass the package as it has been negotiated by Congressional Republican leaders and the White House."

So far, 196 California companies have won a total of \$281 million from the grant program, according to the Treasury Department. Some of that money has gone to the Mojave Desert; for example, NRG Solar Blythe, which owns a 21-megawatt solar plant in Blythe, won \$18 million in June.