



FOR IMMEDIATE RELEASE

December 8, 2010

Contact: Ronnie Kweller
Email: rkweller@ase.org
Telephone: 202-530-2203

Contact: Jack Thirolf
Email: jthirolf@bcse.org
Telephone: 202-785-0507

Clean Energy, Energy Efficiency Tax Incentives Crucial to Maintaining Job Creation, Say Renewable, Efficiency Groups

Washington, DC — The Alliance to Save Energy and the Business Council for Sustainable Energy (BCSE) joined today to urge policymakers to include clean energy and energy efficiency tax incentives in the package being negotiated between the White House and Congress in order to continue new job creation and development of clean energy technologies and industries.

“Extensions of the section 1603 investment tax credit for renewable energy, 48C manufacturing tax credits, and range of energy efficiency tax incentives, plus additional funding for clean renewable energy bonds (CREBs), are crucial for continued job growth and expanded American manufacturing at a time when the economy is still recovering,” said BCSE president Lisa Jacobson. “These tax incentives have had bipartisan support on Capitol Hill and should be included in the package that moves forward.”

“We strongly urge the Congress to extend important, energy-saving tax credits in the legislative package currently under consideration,” said Alliance President Kateri Callahan. “The bipartisan energy efficiency provisions will continue creating jobs, saving consumers money on their energy bills and making our economy more competitive,” said Callahan.

The future for these tax extensions, which were included in a package introduced by Senate Finance Committee Chairman Max Baucus (D-Mont.) last week, remains uncertain as Congress continues to negotiate a final compromise.

Citing specific provisions, Callahan called on Congress to “extend the tax credit for builders of energy-efficient new homes and for manufacturers of high-efficiency appliances.” She added, “Congress should also extend the tax credits for home owners who make energy efficiency improvements to their existing homes and for purchasers of high-efficiency equipment, as well as the now-expired business credit for heavy hybrid and natural gas vehicles.”

According to the U.S. Environmental Protection Agency, Americans living in energy-efficient homes saved \$19 billion on their utility bills in 2008 (in order to qualify for the credit, new homes have to use 50 percent less energy for heating and cooling than a typical home). Tax incentives that mitigate the up-front costs of energy efficiency are essential to help consumers afford the investments that yield these savings. In 2009, 37,506 homes qualified for the energy efficient new homes tax credit, representing 6.7 percent of new homes constructed.

Since its enactment, the section 1603 investment tax credit for renewable energy has had an impact on job growth and has allowed renewable energy projects to move forward. The grant program has:

- Supported the deployment of 1,179 solar energy systems (1,081 solar electric systems and 98 solar thermal systems) as of November 22nd, 2010. Since guidance for the program was released in July of 2009, the manufacture and construction of these solar energy projects has supported roughly 20,000 U.S. jobs (direct, indirect and induced) in the solar industry.
- Allowed wind projects to move forward and propelled the industry to a record year, with 10,000 megawatts (MW) of capacity installed. Other renewable industries showed similar growth.

In addition to the 1603 program, the 48C competitive tax credit for advanced energy manufacturing projects has helped increase domestic clean energy manufacturing. The program, however, was capped at \$2.3 billion and was heavily over-subscribed, meaning that only a fraction of eligible manufacturers received a credit. An extension of the program would kick-start some of these viable domestic clean energy manufacturing projects from across the country that had previously qualified for but were unable to receive the 48C tax credit.

CREBs has provided important support to spur investment to public power for renewable energy generation. In the most recent allocation process in 2009, the program was significantly oversubscribed. The demand for CREBs clearly outpaced the allocation size. The program has been instrumental in supporting a myriad of clean energy projects. For example, more than \$531 million, 24 percent of total allocations in 2009, were distributed to hydropower projects to increase capacity at existing facilities and add generation at existing non-powered infrastructure. These projects are bringing jobs and clean energy generation to local communities across the country.

“American workers are depending on Congress and the Administration to keep our economy and energy infrastructure moving forward. These incentives and other policies are helping build the 21st century clean energy partnership between energy efficiency, renewable energy, and natural gas that will grow our economy and combat climate change.” concluded BCSE President Lisa Jacobson.

The Alliance to Save Energy, www.ase.org, is a coalition of prominent business, government, environmental, and consumer leaders who promote the efficient and clean use of energy worldwide to benefit consumers, the environment, the economy, and national security.

The Business Council for Sustainable Energy (BCSE) is an organization dedicated to implementing market-based approaches to reducing pollution and providing a diverse, secure mix of energy resources. Founded in 1992 by senior executives in the natural gas, energy efficiency, electric utility, and renewable energy industries, the Council offers a distinct, business-oriented perspective on energy, environmental and sustainability issues. The BCSE's members have combined annual revenues of over \$650 billion, providing America with clean energy services, technology products, and power generation. For more information on the BCSE, please visit <http://www.bcse.org>.