

January 6, 2009

Honorable Harry Reid
Majority Leader
United State Senate

Honorable Nancy Pelosi
Speaker
House of Representatives

Honorable Richard Durbin
Assistant Majority Leader
United States Senate

Honorable Steny Hoyer
Majority Leader
House of Representatives

Dear Majority Leader Reid, Speaker Pelosi, Senator Durbin and Representative Hoyer:

To help resuscitate our nation's economy and create hundreds of thousands of well-paying jobs, we ask you to support strong funding for agriculture-based clean energy development programs in the economic recovery package. Our three-part recommendation includes the following:

First, we recommend including at least \$1.2 billion/year in mandatory supplemental appropriations for important Farm Bill Energy Title programs. In catalyzing the construction and operation of new clean energy facilities, the Farm Bill Energy Title programs are major job creators. For example, the Rural Energy for America Program already is funding new wind and solar power, biogas, bioenergy, geothermal and energy efficiency projects in nearly every state in the country. The Bioenergy Crop Assistance Program will accelerate dedicated energy crop plantings. A Biorefinery Assistance Program will help build new advanced biofuels production facilities, which require additional financing in a tight credit environment to break ground.

Second, Congress should extend the federal Production Tax Credits (PTC) for renewable energy, cellulosic biofuels, and biomass for five years. Congress should change the structure of the PTC, solar and fuel cell investment tax credits (ITC) and accelerated depreciation related to renewable electricity production to make these provisions fully refundable; projects also should be able to utilize other financial incentives without a reduction in the amount of ITC and PTC that an entity can claim. Further, renewable tax credits generated in 2008 and 2009 should be permitted to carry back against tax liability over the past decade to the extent of new renewable investment in 2009. Congress also should create a level playing field for producers of renewable electricity by modifying the PTC so that all renewable energy sources of electricity will be eligible for the full credit. These improvements will improve industry's access to capital, catalyze new project development, drive new job creation and increase the tax base for communities across the country.

Third, we encourage you to extend and expand successful clean renewable energy and conservation bond programs which provide PTC-like incentives for electric cooperatives, public power, and municipalities to build new renewable energy facilities and invest in energy efficiency. Similar to the incentives available to local investors and others, these bond programs will create thousands of well-paying jobs and diversify our nation's energy supply.

In sum, these agriculture energy programs will generate billions of dollars in new economic

activity across the country. They will provide new jobs in construction and plant maintenance and operation. They also will stimulate local ownership and infrastructure development, put people back to work and generate much-needed tax revenue to finance schools, roads and other public needs.

Thank you for your consideration.

Sincerely,

25x'25 Alliance
American Agri-Women
American Coalition for Ethanol
Association of Consulting Foresters
Association of State Energy Research & Technology Transfer Institutions
Biomass Power Association
Biotechnology Industry Association
Ceres
CHS, Inc.
Clean Energy First
Climate Solutions
Environmental and Energy Study Institute
Environmental Law & Policy Center
Forest Landowners Association
Intertribal Council On Utility Policy
John Deere
Native Wind
National Alliance of Forest Owners
National Association of Forest Service Retirees
National Association of State Energy Officials
National Association of Wheat Growers
National Corn Growers Association
National Farmers Union
National Rural Electric Cooperative Association
National Sorghum Producers
National Wildlife Federation
National Woodland Owners Association
North American Equipment Dealers Association
Pinchot Institute for Conservation
Society of American Foresters
Solar Energy Industries Association
Southern Alliance for Clean Energy
The Farm Credit Council
The Stella Group, Ltd.