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December 4, 2008

The Honorable Harry Reid
Senate Majority Leader
528 Hart Senate Office Bldg.
Washington, DC 20510

Dear Senator Reid:

Thank you for the opportunity to provide input into the stimulus package. Several suggested key WGA priorities are outlined below:

1. Funding to the states for energy efficiency and clean energy projects.

The WGA believes an annual infusion of funding for weatherization, energy efficiency and renewable energy project grants to the states is merited. We would suggest that the energy efficiency and renewable energy project money be specifically directed to the following areas:

- Generation of renewable energy and the creation of clean energy jobs;
- Energy efficiency and savings at all public facilities;
- Utilization of woody biomass for bioenergy generation.

Energy efficiency is the least expensive and most readily implementable strategy to achieve clean energy goals and it is in the purview of the states to implement these programs. In our recent letter to President-elect Obama, the WGA asked that the administration "ensure affordability for lower income energy consumers through energy efficiency and cost assistance programs." With regard to weatherization, studies show that these programs are highly cost effective, with homeowners achieving savings of 20-30% of their energy bill. Moreover, it is effective in both warm and cold weather states. Funding for energy efficiency projects can come in the form of state grants through the Department of Energy's Office of Energy Efficiency and Renewable Energy (EERE). EERE can also award additional grants to states under the Weatherization Assistance Program. In 2008, funding for state energy efficiency initiatives and the weatherization program was severely reduced and restoring funding should be a priority. Based on DOE estimates, for every \$1 million of DOE investment in energy efficiency and weatherization, 52 new jobs are created.

2. An extension of the production tax credit for renewable energy to 2018.

The \$700 billion economic stimulus package contained short-term extensions of the Production Tax Credit (PTC). The PTC for wind is only available

until the end of 2009. The PTC for incremental hydro, geothermal, wave and tidal energy, and bioenergy is available only until the end of 2010. The credit has been critical in promoting renewable energy growth since its establishment in 1992. Since the beginning of 2008, over 40 manufacturing facilities have been opened, expanded or announced in the U.S. and will have created more than 9,000 jobs when at full capacity. With expansion of renewable energy generation facilities, including wind, solar, biomass, hydro and geothermal, over a million new jobs could be created in the next three years, with impacts being felt almost immediately. The reduction in pollutant emissions from building clean energy production facilities is enormous. With an extension of the PTC, this number can grow even higher. The federal government's short term extensions of the PTC are a hindrance to project development and domestic investment in manufacturing. If Congress passes a multi-year extension of current PTC legislation, it will foster immediate economic growth, jobs creation and a clean energy economy in America.

3. **Expedite federal review of clean energy production and transmission facilities, especially those projects that increase plant efficiency.** In our recent letter to President-elect Obama, the WGA asked that the administration support the kind of basic and applied research and deployment of clean energy technology and infrastructure that will result in:

- Near-zero greenhouse gas emissions from new coal-fired electricity generation in 10 years and from existing generation no later than 2030;
- Dramatically increased energy from wind, solar, geothermal, hydro and biomass resources;
- Expansion and upgrade of the electricity transmission grid and storage capabilities;
- High voltage transmission to ensure we can get renewable generation to market;
- Carbon sequestration research and large scale demonstrations.

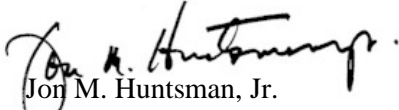
If we are serious about deploying clean energy facilities and the transmission infrastructure to support them, it is critical to remove the impediments to getting these facilities permitted and on-line. Thousands of high-paying domestic jobs would be created through these construction projects, and expedited review will allow those projects to proceed sooner, when those jobs will have the most impact on a lagging economy.

4. **Invest in infrastructure improvements that encourage the deployment of alternative fuels and increases transit system efficiencies.** As we seek to increase the proportion of our energy supplies that come from domestic resources and friendly trading partners, it is essential that the infrastructure necessary to support this is in place.

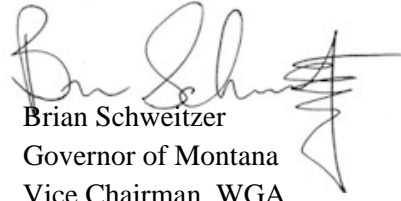
- Fund the expansion of feedstock transportation, fuel storage and distribution, and alternative fueling facilities along major transportation corridors;
- Enhance our public transportation systems to reduce vehicle miles travelled and increase efficiencies;
- Deploy smart grid features, including the charging infrastructure for electric plug-in vehicles.

The WGA is anxious to work with you and the new administration on programs to achieve economic stimulation while moving forward on clean energy and energy security goals.

Sincerely,



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