



RENEWABLE ENERGY: Trade groups rally in support of loan guarantee program

(03/29/2011)

Katie Howell, E&E reporter

A coalition of renewable energy trade groups this week is banding together in support of the Energy Department's controversial loan guarantee program.

Trade groups for the biofuels, wind, solar and geothermal industries yesterday fired off a letter to congressional leaders urging them to maintain funding and support for the DOE program that backs investments for renewable energy projects that might otherwise not get private funding.

"Deployment of next-generation manufacturing and energy production technologies will help address the immediate and pressing need to reduce our nation's dependence on imported oil and ensure our global edge in developing clean energy technologies," the groups wrote. "With crude prices again near \$100 a barrel and political unrest continuing in oil-producing regions of the world, now is not the time to eliminate funding for programs designed to increase our energy security and create jobs here at home."

Their letter comes days before House appropriators are scheduled to grill the DOE official responsible for the program about the agency's fiscal 2012 spending plan. The letter also comes as lawmakers are scrambling to put together a funding package for the rest of the fiscal year.

Republicans in recent weeks have raised many concerns about the program, which received billions of dollars of funding in the 2009 stimulus law, saying that poor management of the program has led to waste. DOE's own inspector general has joined in the criticism, blasting the program's records management.

And particular concerns have been raised about a \$535 million loan guarantee to thin-film solar maker Solyndra to help finance construction of a new plant in California. The company has run into financing troubles since receiving the loan guarantee.

The criticism of the program comes as House Republicans are bent on significantly trimming federal spending. Rep. Rodney Frelinghuysen of New Jersey, the GOP lawmaker who leads the House Appropriations subcommittee with jurisdiction over DOE spending, has warned DOE officials, "We're not going to have any more money to spend."

But the renewable groups -- including the Advanced Ethanol Council, American Wind Energy Association, Biomass Power Association, Clean Economy Network, Geothermal Energy Association, Solar Energy Industries Association and Renewable Fuels Association -- do not want to see loan guarantee funding cuts.

"As Congress moves forward with efforts to cut federal spending, it is important to recognize and retain programs that create American jobs, leverage private sector investment and increase tax revenue," the groups wrote. "The DOE Loan Guarantee Program is one of these programs."

"Eliminating funding for this program will disrupt and delay dozens of projects that are seeking a DOE loan guarantee and will have very real impacts on job creation and energy security efforts currently under way," the letter adds.

[Click here to read the letter.](#)