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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-0308**

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THE WESTERN HEMISPHERE

January 28, 2009

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Room H-232, The Capitol  
Washington, DC 20515

The Honorable Harry Reid  
Majority Leader  
U.S. Senate  
522 Hart Senate Office Bldg  
Washington, DC 20510

The Honorable Steny Hoyer  
Majority Leader  
U.S. House of Representatives  
H-107, The Capitol  
Washington, DC 20515

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
361-A Russell Senate Office Building  
Washington, DC 20510

The Honorable John Boehner  
Minority Leader  
U.S. House of Representatives  
H-204, The Capitol  
Washington, DC 20515

Dear Speaker Pelosi, Majority Leader Hoyer, Majority Leader Reid, Minority Leader Boehner, and Minority Leader McConnell:

As you know, solar power represents one of our nation's best hopes for a clean, secure, and sustainable energy future. A strong solar power industry creates good jobs and economic growth, increases American energy independence, and reduces the threat of climate change.

I strongly commend you for your leadership on H.R. 1, the American Recovery and Reinvestment Act and for including many provisions to encourage solar power development in this economic stimulus package. However, I am deeply concerned that one provision in particular falls critically short of what current circumstances require.

I refer to the grant program in lieu of tax credits that is established in Division B, Section 1721 of the House-passed bill. While this provision is excellent in its general concept, as currently drafted it will fail to provide the desired stimulus effect for large-scale solar power projects.

This would be a tragedy, considering many proposed projects across the American Southwest are on hold for lack of a useable federal incentive program. Collectively, these proposed projects hold the potential to produce thousands of jobs, as well as thousands of megawatts of clean, secure, domestic power.

Last October, Congress passed an eight-year extension of the solar investment tax credit (ITC) because we recognized this incentive as critical to the continued growth of our domestic solar industry. Unfortunately, due to the economic downturn, the incentive is not having its intended effect. Many entities that would like to invest in solar facilities – and other renewable energy projects as well – do not have taxable income, so the tax credits provide them with no incentive.

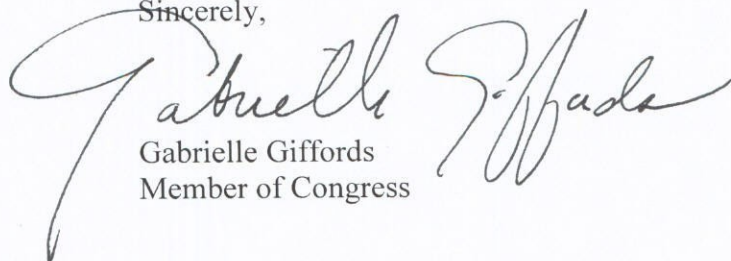
H.R. 1, the American Recovery and Reinvestment Act, attempts to address this situation with a program to offer direct grants, in lieu of tax credits, to qualified renewable energy projects (Division B, Sec. 1721). Unfortunately, as currently designed, the incentive will not benefit large-scale projects with long lead times. Large-scale renewable energy projects have a development cycle of three to five years, but the current grant program would apply only to projects that are *placed in service* before the end of 2010. Most proposed large projects cannot be completed in that time frame, so the grants program would still offer them no incentive.

I offered an amendment that would have made a simple change to the grant program. It would have made projects eligible for grants based on when construction starts, rather than when the project is placed in service. This would facilitate a dramatic increase in the number of large-scale renewable energy projects that could move forward immediately. Unfortunately, the House Rules Committee did not make my amendment in order for consideration.

It is important to remember that we Congress has already agreed that a federal incentive is critical for this industry, and we have passed an incentive of equal magnitude that already applies to any and all projects that would take advantage of this provision. When we extended the ITC last October, we assumed that eligible projects would claim the incentive, but now they are not able to do so. By making my proposed revision, we would make sure people have access to the incentive we intended.

President Obama has publicly declared a national goal of doubling our renewable power capacity within three years. However, it will be almost impossible to achieve this goal without large scale projects. At a time when our country needs the economic, security, and environmental benefits of renewable power more than ever, failure to facilitate these projects is simply unacceptable. I urge you to revise this provision in the Senate version of the bill and retain the revised provision in conference.

Sincerely,

A handwritten signature in black ink, reading "Gabrielle Giffords". The signature is fluid and cursive, with a large initial "G".

Gabrielle Giffords  
Member of Congress