



‘Cash for Clunkers’ Bill Funded with DOE Loan Money

Wind industry officials are awaiting word on how and when \$2 billion funds will be restored for renewable energy technology loan guarantees. The funds were transferred to the popular ‘cash for clunkers’ legislation, which sailed through both the House and Senate in the last week.

Before the House vote, AWEA staff shared concerns about the cut with key House and Senate offices, and met with Obama Administration officials at the White House. White House staff noted the President’s public commitment in a press statement following the House vote to restore the \$2 billion.

AWEA also received commitments from key lawmakers that the funding would be restored later, but as yet has received no official word on timing.

AWEA has been particularly concerned because DOE has issued solicitations for all categories of loan guarantees except for commercial technologies, which is the category considered of most interest to wind developers and manufacturers. If the funds are not restored, or if DOE does not redirect some funding from one of the prior solicitations, there would only be \$715 million left for the commercial solicitation, which would leverage tens of billions of dollars less in aid than expected.

In addition, AWEA staff joined other clean energy association representatives along with individual company representatives in a meeting with White House staff on August 3rd regarding the DOE loan guarantee program. The \$2 billion cut was a key topic for the meeting. No commitments were made on timing.

Commented AWEA Director of Regulatory Affairs Tom Vinson, “The industry’s concern is that the funding cut sends a signal to lenders not to rely on the government as a partner, which in turn means many projects will be in limbo until the DOE funding is actually restored. The past expirations and renewals of the tax credits for wind power vividly illustrate the impact of uncertain government policy on the renewable energy sector.

“Rapid restoration of funding for the loan guarantee program is needed to give developers and the financial sector the confidence to invest. Financial markets remain weak. Many companies are desperately seeking loan guarantees now for new renewable power generation projects.”

Source: Wind Energy Weekly, 7 August 2009