

Energy & Commerce Leaders Urge Bush to Incentivize Loan Guarantees at 80 Percent

Leading Members of the Committee on Energy and Commerce today sent a letter to President George W. Bush urging the Administration to adopt flexible rules to encourage the deployment of clean energy technologies as Congress intended.

NEWS RELEASE

Committee on Energy and Commerce

Rep. John D. Dingell, Chairman

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Washington, D.C. – Leading Members of the Committee on Energy and Commerce today sent a letter to President George W. Bush urging the Administration to adopt flexible rules to encourage the deployment of clean energy technologies as Congress intended. Committee Chairman John D. Dingell (D-MI), Ranking Member Joe Barton (R-TX), Subcommittee Chairman Rick Boucher (D-VA), and Subcommittee Ranking Member Dennis J. Hastert (R-IL) urged the President to set a standard that would permit loan guarantees for up to 80 percent of total capital costs for projects that reduce or avoid greenhouse gas emissions, as intended by the Energy Policy Act of 2005.

Title XVII of the Energy Policy Act of 2005 authorizes the Federal Government to guarantee up to 80 percent of debt for energy projects that would employ new or significantly improved technologies to reduce greenhouse gas emissions. The Committee has learned, however, that the Administration is considering a standard that would provide loan guarantees at

only 64 percent of total cost, leaving 36 percent of the debt to be assumed by equity investors.

The letter follows an April 24, 2007, Subcommittee on Energy and Air Quality hearing on the Department of Energy's progress in establishing loan guarantee programs authorized by the Energy Policy Act of 2005. The loan guarantee programs have yet to be implemented since the President signed the legislation in August of 2005.

Read the Letter

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Prepared by the Committee on Energy and Commerce

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