April 28, 2008

The Renewable Energy Organization at Calvin College
Science Building
1734 Knollcrest Circle, SE
Grand Rapids, MI 49546-4403

Dear Friends:

Thank you for contacting me regarding renewable energy and energy conservation. I have long supported efforts to provide incentives for the development of renewable resources and energy efficient technologies, and I appreciate hearing your thoughts on this subject.

As you may know, on February 27, 2008, the House of Representatives passed the Renewable Energy and Energy Conservation Tax Act of 2008 (H.R.5351) by a vote of 236 to 182. This legislation would modify provisions of the Internal Revenue Code to extend tax incentives to spur the development of renewable energy and energy conservation measures. H.R.5351 would extend the renewable energy production tax credit (PTC) through 2011. The PTC provides a tax credit of 2 cents per kilowatt hour (cents/kwh) for renewable energy facilities utilizing wind, geothermal, solar, landfill gas, closed-loop biomass, and various other alternative sources. This credit currently is set to expire at the end of 2008. In addition, this bill would provide incentives for the installation of small wind systems, geothermal heat pumps, and solar electric generators on residential properties.

Along with incentives for the development of renewable energy, H.R.5351 contains provisions that would attempt to spur energy conservation measures. This legislation would allow for a new tax credit to increase the production of plug-in hybrid vehicles, which use significantly less gasoline than their traditional counterparts. Also, it would extend tax credits for advanced biodiesel and cellulosic ethanol fuels that will help conserve oil. To offset the cost of these new energy tax credits, H.R.5351 would repeal certain tax deductions for oil and gas companies, which are currently enjoying record breaking profits due to the combination of high oil prices and strong world demand.

I support extending the PTC and other energy tax incentives in a manner that would allow for sound, reliable investment in clean sources of renewable energy over a sustained period of time. That is why I cosponsored the Clean Energy Tax Stimulus Act (S.2821), which was introduced by Senator Maria Cantwell (D-WA) on April 3, 2008. This bill, which contains similar provisions to H.R.5351, would encourage the development of renewable energy and expand efficiency and conservation measures. Among a number of provisions, S.2821 would extend the PTC through 2009, provide tax credits for energy efficiency improvements to existing homes and offer incentives for certain energy efficient appliances. On April 10, 2008, I, along with 87 of my Senate colleagues, voted in favor of adding the provisions from S.2821 to the Energy Independence and Housing Foreclosure Prevention Act (H.R.3221). H.R.3221 was subsequently passed by the Senate by a vote of 84 to 12. Before this bill can be sent to the President for his signature, it must be reconciled with similar legislation passed by the House of Representatives. I am hopeful these vital energy tax incentives will soon be signed into law.

Thank you again for contacting me.

Sincerely,

Carl Levin

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