



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

May 21, 2010

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Washington, DC 20515

Dear Madam Speaker:

It is a priority of this Administration to take strong action to increase our energy security, reduce the threat of climate change, and position the United States to lead in the development of new clean energy industries. As President Obama has said, "The nation that leads the world in creating new sources of clean energy will be the nation that leads the 21st century global economy." I know that you share this view, and I thank you for your strong leadership on clean energy issues.

To achieve our clean energy goals, we need to invest now to develop and deploy the most promising technologies. That is why in the American Recovery and Reinvestment Act as well as in the Fiscal Year (FY) 2010 and FY 2011 budgets, the Administration has dedicated significant resources to spur the development of clean energy and the creation of new jobs.

The Department of Energy's (DOE) Title XVII Loan Guarantee Program is an important tool for promoting innovation in the energy sector across a broad portfolio of clean and efficient energy technologies. The President's FY 2011 Budget proposed providing \$500 million in new budget authority to support approximately \$3 to \$5 billion in energy efficiency and renewable energy projects in addition to providing \$36 billion in loan guarantee authority for nuclear power facilities in the Title XVII Program. To help achieve the Administration's clean energy objectives in the current fiscal year we request that the Congress provide a portion of this additional loan guarantee authority as part of the supplemental appropriations bill currently under consideration or as part of another appropriate legislative vehicle. Providing this authority now would accelerate our efforts to leverage private sector investment in clean energy projects and is integral to the President's efforts to move the Nation toward a clean energy economy that will reduce America's dependency on foreign energy sources and spur the creation of new jobs.

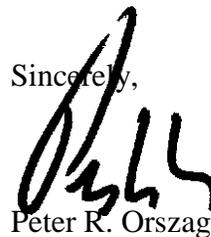
Specifically, the Administration urges the Congress to provide \$90 million in budget authority in the supplemental to support additional loan guarantees for renewable energy projects and efficient end-use energy technology projects. These funds will be available to support the credit

subsidy costs for a wide range of innovative solar, wind, geothermal, and other renewable energy projects, as well as projects that improve how we use energy.

The President is also committed to restarting our domestic nuclear industry. Earlier this year, DOE made a conditional commitment to finance construction of what will be the first nuclear reactor to break ground in the United States in decades. To help advance new nuclear reactors, the Administration also urges the Congress to provide an equal amount of budgetary resources -- \$90 million under CBO scoring conventions -- to support additional loan guarantee authority for advanced nuclear power facilities. Together with existing authority, the additional authority provided by this request would enable up to three nuclear power plant projects that are currently under review to move forward to a conditional commitment in 2010. A separate request will be transmitted in the near future to the Congress to reduce the FY 2011 Budget by the amounts in this supplemental request.

To protect taxpayer interests as well as improve the efficiency of program implementation, the Administration also proposes making several amendments to the Title XVII Loan Guarantee Program and Advanced Technology Vehicle Manufacturing statutes. These changes include allowing project credit subsidy costs for modifications to Title XVII loan guarantees to be paid from a combination of borrower payments and appropriated funds; expanding the Section 1705 program to include efficient end use energy technology projects; allowing the Loan Guarantee Program to provide guarantees to projects at multiple sites; allowing project sponsors to be eligible for multiple loan guarantees for eligible projects under the Section 1705 program; and permitting DOE to require borrowers to pay directly or to charge fees to reimburse DOE for expenses incurred for third-party consultants and advisors to the Advanced Technology Vehicle Manufacturing program.

Thank you for your strong leadership and for your consideration of these proposals. The Administration looks forward to working with the Congress on these proposals.

Sincerely,

Peter R. Orszag

Identical letter sent to The Honorable Harry Reid