

The Honorable _____
United States Senate
Washington, DC 20510

Dear Senator,

On June 15, the President called on Congress to pass legislation that reduces the costs to our economy, our national security, and our environment from our too heavy reliance on the production and use of oil and other carbon-intensive fossil fuels. We strongly support that effort and urge Congress to include in any energy legislation, the establishment of a nonprofit Energy Independence Trust, a “patriotic organization” similar to the Red Cross that would be used to help finance the near-term large-scale deployment of already commercialized clean energy and energy efficiency technologies by the private sector, as a critical first step in transitioning the economy to cleaner, safer, and less costly energy.

There is much work to be done to move the country to a clean energy economy, and a range of policy choices will be involved. But we want to highlight here, this important tool for providing lower-cost financing to commercially ready energy efficiency and renewable energy projects, and to alternative fuels for the transportation sector. Clean energy must become more price-competitive with conventional energy resources, if the private sector is to play a major roll in its deployment. One important way to achieve this “grid parity” is by reducing the cost of long term financing to help get more new projects built. Low-cost financing will improve returns on private sector projects attracting greater levels of investment, increasing deployment, and creating more jobs.

For these reasons we urge Congress to use its authority to create a nonprofit patriotic organization, qualified under section 501(c)(3) of the Internal Revenue Code, to be called the “Energy Independence Trust.” The Trust’s mission would be to provide low-cost financing to commercially ready projects related to renewable energy, energy efficiency, renewable electricity transmission, and electrification and alternative fuel transportation solutions, that can be deployed at a wide-scale starting immediately. By focusing on the deployment of proven technology, the Trust would be an important complement to existing government labs, the ARPA-E program, and the proposed Clean Energy Deployment Administration, which all focus on earlier phase technology development and commercialization. The Trust would also have flexibility to work with utilities, state and local governments, small businesses, and other partners to accomplish its goal of financing renewable energy and energy efficiency projects.

The Trust should be empowered to borrow from the Treasury Department. As a section 501(c)(3) organization, the Trust also will be able to receive tax-deductible contributions from individuals, corporations, foundations and charitable trusts. Because it would operate as a nonprofit 501(c)(3) organization, the Trust would not be an agency or

instrumentality of the Federal Government, it would be operated to be entirely budget neutral, and its financial activity would not require the “full faith and credit” backing of the government. Taken as a whole, this structure will allow the trust to advance the critical public purpose of reducing our nation’s energy dependence, in a manner that does not increase budget pressure during these difficult economic times.

The Energy Independence Trust could be a major part of the robust oil spill recovery efforts for the Gulf region and the country as a whole, which the President advocated in his Oval Office address. This Trust should be a part of any energy bill, to help provide a long-term solution to the energy issues that hamstring our country’s economic well-being and threaten our national security. As the President said on June 15th, “We cannot consign our children to this future. The tragedy unfolding on our coast is the most painful and powerful reminder yet that the time to embrace a clean energy future is now. Now is the moment for this generation to embark on a national mission to unleash America's innovation and seize control of our own destiny.”

We call on you to include this kind of innovative financing mechanism in any energy legislation that is passed out of the United States Senate. Fresh thinking is required if we are going to solve this long-standing problem. The Energy Independence Trust provides an important new tool that will help American entrepreneurs get to work immediately in building a safer stronger, and more economically vibrant future.

Sincerely,

A handwritten signature in black ink, appearing to read "Bracken Hendricks". The signature is stylized with a large, sweeping flourish at the end.

Bracken Hendricks, Senior Fellow
The Center for American Progress

A handwritten signature in blue ink, appearing to read "Kevin S. Curtis". The signature is stylized with a large, sweeping flourish at the end.

Kevin S. Curtis, Program Director
Climate Protection Action Fund