

June 14, 2001

INTRODUCTION OF THE RENEWABLE ENERGY ACT FOR CREDIT ON TAXES

HON. SUSAN DAVIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 2001

Mrs. DAVIS of California. Mr. Speaker, I would invite you to join me as a co-sponsor of the Renewable Energy Act for Credit on Taxes.

This is a refundable tax credit to be given for investments in renewable energy systems based on solar, wind, or fuel cells providing up to \$4.50 per Watt of electricity produced, capped at the lesser of 35 percent of the cost of the system or \$6,000 for residences and \$50,000 for commercial enterprises. It would sunset in four years.

A recent ABC poll showed that 90 percent of the public support increased investment in renewable energy sources. In its National Energy Policy, the administration has also identified this need.

Based on the California experience, we need to supply more energy at peak periods as soon as possible. Because of transmission gridlock both between states in the western region and within California, right now we need to increase supplies where they will be used. Public policy calls for increasing reliance on renewable energy sources.

Therefore, we need to give incentives to power sources that can be put into operation relatively quickly, produce power at peak times where it will be used, and be powered by renewable energy sources.

The administration's National Energy Policy states, "Photovoltaic solar distributed energy is a particularly valuable energy generation source during times of peak use of power." [p. 6-10]

Under-used locations for increased production of power are homes and businesses. Owners have not invested in personal energy systems in part because they have not provided a reasonable return on the investment. This gap can be bridged by using tax incentives to motivate additional private investment in power. The benefit is a long-term contribution to power supply that does not require continued cost for fuel.

Solar power for water heating has been used extensively in the West over many years because it has been a good investment. It demonstrates the willingness of owners to make this investment when it is financially viable.

Newer materials and more reliable systems have become available to make individual photovoltaic systems attractive as well. In April a solar demonstration home was built on the Washington Mall that not only incorporated many energy saving designs but also employed a solar energy system with back-up batteries. The additional cost for the solar system for this large, three-bedroom, two story home was given as \$30,000.

Is a federal tax credit enough to encourage a homeowner to make this investment? Under my bill the owner would qualify for \$18,000 of the cost based on the amount of power produced; however, the proposed cap would be

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the lesser of 35 percent of the cost or \$6,000, leaving \$24,000 of uncovered cost.

While this might not be a sufficient incentive for many owners, some 14 states as well as about 26 municipalities have additional rebates. California, for example, has a rebate program capped at 50 percent of the cost. In this case, the California homeowner combining the two programs would be paying only \$9,000 of that cost.

Without a rebate, a homeowner could buy a system of half the capacity receiving a lower rebate but still have a \$9,750 net cost under this bill.

The advantage of a solar solution is that in many locations the solar energy is most available when it is most needed—in the summer in the middle of the day.

In other areas wind systems are viable with applications that look like a typical roof top vent suitable for residences and businesses. While there is a current production tax credit for wind energy, it is not an attractive financial incentive for individuals since the owner is using the product not selling it. Thus, a tax credit is the appropriate mechanism.

I have chosen a refundable tax credit rather than a grant program as less bureaucratic and readily accessible to a taxpayer. The sunset will give incentives to immediately increase supplies.

I believe it is time to take a large stride toward investing in renewable energy that will continue to produce power for many years without needing to purchase fossil fuels. We can have more clean power where we need it at peak periods.

CONGRATULATING ELMER BECKENDORF

HON. KEVIN BRADY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 2001

Mr. BRADY of Texas. Mr. Speaker, I rise today to honor a dear friend and outstanding Texan, Mr. Elmer Beckendorf. This Saturday, June 16, 2001, Elmer a member of the North Harris Montgomery Community College District Board of Trustees will receive the Association of Community College Trustee's Regional Trustee Leadership Award. His commitment to public service and above all his dedication and support for education earned him this rightly deserved honor.

Born December 14, 1921 in Harris County, Texas, Elmer is a fifth generation resident of Harris County, Texas. He graduated from Addicks High School and attended the University of Houston. During World War II, Elmer served in United States Army Signal Corp attached to the Air Force installing and maintaining radio equipment providing communications for an Air Force Fighter Wing in the Pacific area of operations, Okinawa and surrounding areas. After the war, he returned to Texas where he married Dorothy Heldberg. They have three children, six grandchildren and two great grandchildren. In 1954 Mr. Beckendorf formed E.L. Beckendorf and Sons, Inc., an independent dairy farm.

Elmer Beckendorf has been a true leader in his community, having served on public

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boards for 47 years. He has served on the North Harris Montgomery Community College District (NHMCCD) Board of Trustees for sixteen years including two two-year terms as chair and two two-year terms as vice chair. During his service, the college district has grown from two campuses serving four school districts to four, soon to be five, comprehensive campuses and six educational centers serving nine school districts in a 1400 square mile area with a population of over 1 million citizens.

He was elected to and has served on the Tomball Independent School District Board of Trustees for 22 years, holding various offices including president during

Civic organizations on which he has served include the Tomball Regional Hospital Authority Board of Directors, member since 1975, chairman since 1982; the Cypress Creek Branch of Greater Houston YMCA, board member 1975-1986 receiving the Volunteer of the Year in 1979; the Rotary Club of Tomball, member 1955 to present; the Greater Tomball Chamber of Commerce member since 1975 receiving the Citizen of Year in 1979; the Texas Forage and Grassland Council, Charter member, 1979 to present and President from 1981-1984; the Houston Milk Producers Federal Credit Union as an Officer of the board for 29 years; the Association of Community College Trustees as a Lifetime member; the Dairy Shrine Club as a Lifetime member and the Tomball Future Farmers of America as an Honorary Chapter Farmer.

Additionally, Elmer Beckendorf has been a champion of education supporting and leading initiatives in the area of economic development, workforce development and K-16 partnerships. With his support, NHMCCD has established Center for Business and Economic Development (CBED), a center focused on economic development initiatives and workforce development needs of our region. His support for K-16 partnerships, initiatives and agreements has led to the seamless flow of curriculum, program and services from public school through community colleges and universities.

The Association of Community College Trustees could not have picked a more outstanding person for this award. Elmer Beckendorf is a very special person and one who exemplifies the true public citizen willing to give tirelessly of himself in order that others may benefit. On behalf of the U.S. House of Representatives and the citizens of the 8th Congressional District of Texas, I offer our warmest congratulations.

A NEW DIRECTION AT ST. LOUIS HOUSING AUTHORITY

HON. WM. LACY CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 14, 2001

Mr. CLAY. Mr. Speaker, I would like to take this opportunity to share some very happy news about the St. Louis Housing Authority. Just two short years ago, the St. Louis Housing Authority had the distinction of holding the worst federal ranking—14.25 out of 100—of