

By Mr. SMITH (for himself, Mr. SALAZAR, Ms. SNOWE, Mr. MENENDEZ, Mr. LUGAR, Mr. KERRY, Mr. KENNEDY, Mr. ALLARD, Mr. WYDEN, Mr. LIEBERMAN, Mr. LAUTENBERG, Ms. CANTWELL, and Ms. LANDRIEU):

S. 590. A bill to amend the Internal Revenue Code of 1986 to extend the investment tax credit with respect to solar energy property and qualified fuel cell property, and for other purposes; to the Committee on Finance.

Mr. SMITH. Mr. President, I rise today to introduce legislation to spur investment in and deployment of fuel cells and solar energy systems. I am joined today by my colleague, Senator Salazar, and eleven other Senators in introducing this important bill to encourage the development of these clean energy facilities.

The Energy Policy Act of 2005 created new commercial and residential investment tax credits that have helped stimulate market growth for these innovative technologies. Those tax credits, which were extended in 2006, are set to expire at the end of 2008. However, in order to drive down future production costs and encourage the development of these facilities, this bill provides for an eight-year extension of the investment tax credits for solar and fuel cell facilities. It also provides for the accelerated depreciation of commercial solar and fuel cell projects.

The long-term extension is needed within these industries because these emerging energy technologies have longer planning horizons than traditional power plants. A long-term extension will also help developers secure the financing for these facilities.

There are numerous benefits of extending these investment tax credits. It is estimated that an eight-year extension of the tax credits will displace over 4 trillion cubic feet of natural gas and save consumers over \$32 billion. An estimated 70,000 new jobs will be created in the solar and fuel cell industries and over \$50 billion in economic investment will be made in these industries. In addition, distributed generation facilities can serve remote sites and help address transmission congestion issues.

Home-grown energy technologies and sources help reduce our dependence on foreign sources of energy. Moreover, both solar equipment and fuel cells provide zero emissions energy. I would urge my colleagues to join us in providing America's entrepreneurs and households with these important tax incentives. Together, we can reduce our dependence on fossil fuels and restore our nation's leading role in these important industries.