



May 26, 2011

STOP THE CLEAN ENERGY DEPLOYMENT ADMINISTRATION

Dear Energy and Natural Resources Committee Member,

We understand that you will be considering legislation this week to create a new federal financing entity known as the Clean Energy Deployment Administration (CEDA). CEDA's goal is to provide loans, loan guarantees, and other forms of credit to various energy projects, but as envisioned the end result could easily be little more than a black hole for hundreds of billions of taxpayer losses on failed projects. In addition to funding high risk capital intensive projects with long-term financial liabilities the size, scope and lack of accountability and transparency mechanisms make CEDA ripe for waste, fraud and abuse. We urge you to oppose the creation of CEDA.

As proposed, CEDA would have unlimited authority to issue loan guarantees to high risk projects, while providing little oversight and taxpayer protections. When evaluating CEDA the Congressional Budget Office estimated that based on the 2008 applications to the existing loan guarantee program, CEDA would provide more than \$130 billion in loan guarantees. CEDA has a \$10 billion initial capitalization and no limit on the total volume of loans it can issue, creating an enormous financial liability on the federal Treasury.

CEDA creates a new larger financing mechanism for energy technologies and absorbs the existing Department of Energy Title XVII Loan Guarantee Program which already has significant problems. The new entity will remain under DOE and distribute direct loans, loan guarantees and other forms of credit for energy technologies ranging from renewable solar and efficiency to advanced nuclear and coal facilities. With a charge this expansive, it is easy to imagine enormous financial fallout for U.S. taxpayers.

With a \$1.65 trillion deficit and a \$14 trillion debt, we all agree that it would be reckless for Congress to allow this program to move forward. We urge you to oppose CEDA.

Sincerely,

Ryan Alexander, President
Taxpayers for Common Sense

Duane Parde, President
National Taxpayers Union

Myron Ebell, President
Freedom Action

William Yeatman, Assistant Director
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