

**Select Committee on Energy Independence and Global Warming**

*“The Clean Energy Recovery: Creating Jobs, Building New Industries and Saving Money”*

March 10, 2010

9:30 am

2141 Rayburn House Office Building

**Witness Questions for the Record**

## Questions for Lisa Patt-McDaniel – OH Workforce Development

1. By what criteria/standards are homes evaluated for qualified weatherization assistance?  
What safeguards and policies does Ohio have in place to ensure that only the most necessary and qualified houses are weatherized?
2. How did your state overcome some of the obstacles encountered in almost all other states? What are the best lessons learned from the Ohio weatherization program that can be applied to other states struggling to implement the program?
3. What is the average wage of a weatherization worker in Ohio? How much does the state pay per weatherized home?
4. What percentage of the total Ohio workforce is unionized? What percentage of weatherization contracts have been handed out to unionized companies?
5. Ohio's "Banking on New Energy Financing" program appears to have the same goal of opening up access to capital as the ARRA's federal grants-in-lieu of tax credits program. To date, how much of the \$40 million in funding has been expended? Have firms in your state utilized this public-private partnership in addition to using the grants-in-lieu program? If so, can you estimate the additional lines of capital now available to those firms?
6. Of the jobs created or saved, how many will be permanent jobs once the ARRA funding is exhausted? Do you believe this weatherization program is a sustainable industry?
7. How would the Waxman-Markey bill affect the energy costs of Ohio residents?

## Questions for Paul Gaynor – First Wind

1. Regarding the financial challenges facing the wind industry, is the problem a lack of lending or is the financing rate too high? If the rate is too high, what internal rate of return would be necessary to finance the project? By what percentage does the grants-in-lieu program lower the interest rate offered in a financing package?
2. At what point will wind generation be cost competitive with fossil fuel generation and, in turn, when can Congress phase out the existing subsidies in the form of the production tax credit?
3. Industries and small businesses all across the country faced financing challenges during the economic downturn. How do you justify grants-in-lieu for the wind industry as more deserving than other struggling industries and firms?
4. What percentage of the wind turbine components that were installed in 2009 were manufactured here in the United States?
5. Is First Wind concerned that capital will once again disappear if the grants-in-lieu program is discontinued? How can the wind industry ensure stable, long-term access to capital without government subsidies to attract financing?

## Questions for Mary Ann Wright – Johnson Controls

1. How can the electric vehicle industry stimulate adequate demand for electric vehicles and avoid a glut of surplus batteries? Why hasn't the market responded to build the vehicles, for which surplus batteries exist? What is the current additional cost for a car manufacturer that is directly related to the battery? Will this cost decrease enough with over-supply to make electric cars commercially viable?
2. Why are lead batteries produced abroad rather than domestically? Is it likely that lithium ion battery production will similarly move offshore due to international competitiveness factors?
3. Had Johnson Controls not received the stimulus funding, where would the new Holland, Michigan plant have been located? What steps can Congress take to make the United States more competitive in the manufacturing sector?
4. How would increased energy costs due to passage of a cap-and-tax bill affect domestic battery production?

## Questions for Brian Johnson – Americans for Tax Reform

1. How do the Davis-Bacon provisions in the stimulus artificially inflate wages, increase the cost of projects and temper the overall intended impact of the stimulus?
2. Going forward, how could the Department of Energy, specifically within the weatherization program, better disburse stimulus funding?
3. Since the passage of the stimulus, how many jobs have been lost in the private sector? The public sector? Is a significant increase in public-sector jobs sustainable?
4. What are the long-term fiscal consequences of borrowing over \$850 billion today? Do you believe the stimulus was a responsible use of taxpayer dollars?
5. Please distinguish between targeted tax credits contained in the stimulus with broad tax reform, such as cuts in corporate tax rates or a payroll tax holiday as an economic stimulus. How do the different methods vary and which do you believe are more effective?

## Questions for Bryan Ashley – Suniva

1. In your submitted testimony, you note, “support from the federal government, in the form of the 48C tax credit, enabled us to add those jobs much sooner than we otherwise would be able to do.” What were Suniva’s previous expectations to increase the workforce? When would the additional employees have been hired? Are these jobs permanent jobs?
2. Currently, most photovoltaic (PV) solar cells are produced in China. What is the largest competitive disadvantage facing the United States today in the international solar production market?
3. What is the average employee wage at Suniva’s production plants? Do those wages meet or exceed Davis-Bacon standards? Is the workforce unionized?
4. How do ultra-efficient cells compare in price per unit of energy to the current PV cells which are manufactured abroad?
5. Given that Suniva is “already sold out through mid-2011 and has had to turn away new export customers,” why does Suniva still need further government subsidies to ensure the viability of the business? What is the production cost of the cells compared to wholesale price and how much of Suniva’s costs are covered by federal subsidies?
6. Your testimony notes that Suniva has taken advantage of the grants-in-lieu funding contained in the stimulus. Is that due to a pure lack of capital or is it that the financing rate is too high? If the rate is too high, what internal rate of return would be necessary to finance new projects? By what percentage does the grants-in-lieu program lower the interest rate offered in a financing package over the previous use of the tax credits?
7. Considering the King Juan Carlos University study last summer which highlighted the failures of government subsidies in the solar market, how can Congress ensure that the United States does not replicate the mistakes of the Spanish government, which is currently experiencing unemployment rates of 20%?
8. Do Suniva’s high efficient cells produce more electricity with less available sunlight? Do Suniva’s PV cells generate energy when the sun isn’t shining?