



United States Senate

WASHINGTON, DC 20510-0905

December 16, 2011

The Honorable Harry Reid
Majority Leader
United States Senate
522 Hart Senate Office Building
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

Dear Senators Reid and McConnell:

As the Senate considers an end-of-year package of energy tax extenders, including possible extension of tax provisions slated to expire at the end of 2012, we ask that you include an extension of cellulosic biofuels tax incentives, and include language clarifying the eligibility of algae-based biofuels.

Advanced biofuels, including cellulosic and algae-based biofuels, have great potential to create thousands of solid, well-paying U.S. jobs, while significantly increasing our nation's energy and national security. A recent report found that jobs associated with advanced biofuels production could reach 807,000 by 2022. Innovative cellulosic and algal biofuels companies have made great strides in developing new technologies to produce clean, renewable, next generation biofuels throughout the country, and are poised to produce millions of gallons of advanced biofuels if project financing can be secured in a timely fashion.

The cellulosic biofuels production tax credit and the accelerated depreciation for cellulosic biofuel property have the potential to unlock vital project financing. But because commercial biorefinery projects take an average of three or more years to complete, the December 31, 2012, expiration date prevents project developers from leveraging the value of these credits. Thus, even though the incentives are nominally effective through 2012, the credits have already effectively expired with regard to current facility development.

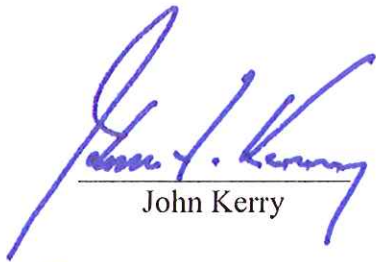
Supportive, stable federal policy is essential to ensuring that these advanced biofuels developers can move forward on these first-of-a-kind commercial projects. For this reason, we ask that any tax package that considers effectively expired provisions extend the cellulosic biofuels production tax credit and accelerated depreciation for cellulosic biofuel property, and ask that you clarify the eligibility of algae-based biofuels by including language similar to that in S. 748, the Algae-based Renewable Fuel Promotion Act.

Thank you for your consideration of this important request.

Sincerely,


Bill Nelson


Jeff Bingaman



John Kerry



Ron Wyden



Debbie Stabenow



Jeff Merkley



Tom Udall



Al Franken



Barbara Boxer

CC:

The Honorable Max Baucus, Chairman
Senate Committee on Finance

The Honorable Orrin Hatch, Ranking Member
Senate Committee on Finance