

February 17, 2011

Representative John Boehner
Speaker of the House
Capitol Building, H-232
Washington, DC 20515

Representative Nancy Pelosi
House Democratic Leader
Capitol Building, H-204
Washington, DC 20515

Representative Hal Rogers
Chairman
House Committee on Appropriations
Capitol Building, H-307
Washington, DC 20515

Representative Norman Dicks
Ranking Democratic Member
House Committee on Appropriations
Longworth House Office Building, 1016
Washington, DC 20515

Representative Rodney Frelinghuysen
Chairman
Subcommittee on Energy and Water Development
Rayburn House Office Building, 2362-B
Washington, DC 20515

Representative Peter Visclosky
Ranking Democratic Member
Subcommittee on Energy and Water and
Development
Rayburn House Office Building, 2362-B
Washington, DC 20515

Dear Representatives Boehner, Pelosi, Rogers, Dicks, Frelinghuysen, and Visclosky:

We write to you today as companies and institutions from the business, venture capital, academic, environment and national security sectors along with representative national and regional organizations and associations – with a presence in all 50 states – critically concerned about FY11 funding for the Advanced Research Projects Agency – Energy (ARPA-E). ARPA-E was reauthorized but not appropriated by Congress in December 2010 as part of the bi-partisan America COMPETES legislation. We appreciate that these are fiscally constrained times. However, as you consider your funding priorities for FY11, we respectfully encourage you to include ARPA-E as an anomaly in the CR at or near the America COMPETES designated amount of \$300 million.

ARPA-E originated in the COMPETES legislation signed into law in 2007 by President George W. Bush. ARPA-E is an important, dynamic program - modeled after DARPA - whose mission is to fund cutting edge, transformative early stage research in the field of energy. Utilizing a new, innovative business model approach, ARPA-E demands of itself a nimble structure with minimal bureaucracy. As such, the average time for projects from application to funding is approximately six months and projects to date have been funded in 30 states.

These investments are already seeing returns from the private sector. Six projects alone – which in total received \$23.6 million in seed funding grants from ARPA-E – have seen the private sector come in with \$108 million in venture capital funding. As stated in a recent *New York Times* article this investment generated, “*about four private dollars for every dollar that the taxpayers spent to get them rolling.*” *

ARPA-E is also helping to shape the next generation of energy researchers, attracting the nation's best and brightest young minds to its opportunities. The enthusiasm for ARPA-E's vision was clearly demonstrated when its inaugural funding opportunity announcement resulted in an unprecedented 3,600 applications; ARPA-E's limited funding could only support 1% of these projects.

Just as DARPA gave the United States a competitive and national security edge through innovations in the defense industry, ARPA-E is funding projects critical to breakthroughs in energy running the range from their investments in CCS to energy storage to vehicle technologies. In 2011, ARPA-E is hoping to pursue programmatic initiatives in both natural gas and rare earth metals.

ARPA-E was included as an anomaly in the ten-month CR crafted last year, 2010, and was eliminated along with other anomalies when the CR was shortened to three months. The primary reason for this was that ARPA-E had enough money to "keep the lights on" during this short-term CR. Just as investments by DARPA led to disruptive and transformative innovations such as stealth technology and the wireless ARPANET transmission, so too can ARPA-E help meet our nation's energy challenges.

The United States needs to have the competitive edge in energy technology breakthroughs for our national security and for the ability to harness the resources we have in our country. ARPA-E is pursuing these much needed cutting edge innovations. We strongly encourage support for ARPA-E in FY11 through an anomaly in the CR to prevent any current or future project disruption in this critical energy space. It is important for U.S. competitiveness and our national security. We thank you for your consideration and your continued support of this vital issue.

Sincerely,

A123 Systems, Inc.
Advanced Technology Ventures
Alloy Ventures
American Chemical Society
Americans for Energy Leadership
Amyris, Inc.
Applied Materials, Inc.
Arete Corporation
American Society of Mechanical Engineers (ASME)
Aspen Aerogels, Inc.
Association of American Universities
Association of Public and Land-grant Universities
Baruch Future Ventures
BenFranklin Technology Partners of Southeastern PA
Binghamton University
Birch Tree Capital
Bloom Energy
Breakthrough Institute

California Clean Energy Fund (CalCEF)
Claremont Creek Ventures
Canaan Partners
Case Western Reserve University
Claremont Creek Ventures
Clean Energy Trust
Clean Energy Venture Group
Clemson University
CMEA Capital
Colorado Cleantech Industry Association
Cornell University
Council for Chemical Research
Digital Energy Solutions Campaign
Elance
EnerG2
Energy Future Coalition
EnergyHub
FloDesign Wind Turbine
Flywheel Ventures
Foro Energy, Inc.
Free Flow Power Corporation

Georgia Institute of Technology
Global Energy Investors, LLC
GMZ Energy
Graphene Energy
Greenough Communications
Harvest Power, Inc.
Information Technology and Innovation
Foundation
Information Technology Industry Council
Innovation Works
Intel
Intermolecular, Inc.
Johns Hopkins University
Kent State University
Kleiner Perkins Caufield & Byers
Krell Institute
Massachusetts Institute of Technology
Metal Oxygen Separation Technologies
Michigan Technological University
Millville Partners, Inc.
Mohr Davidow Ventures
National Venture Capital Association
Natural Resources Defense Council
Nevada Institute for Renewable Energy
Commercialization
New England Clean Energy Council
New Venture Partners LLC
Northern Illinois University
Novomer Inc.
Oregon Built Environment & Sustainable
Technologies Center (Oregon BEST)
Penn State University
Physic Ventures, LP
Pilus Energy
Pinnacle Engines
Planar Energy
Qnovo
Research Triangle Energy Consortium
RockPort Capital
RTI International

SCSurmeli
Serious Materials
Sierra Angels
Sierra Club
Silicon Valley Bank
Solaya Energy
SPIRE CORP
Stanford University
Stony Brook University, SUNY
SunWind, LLC
Svaya Nanotechnologies
Syracuse University
TechNet
Tesla Motors
Texas A&M University
The Council for Chemical Research
The Optical Society
The University of Michigan
Third Way
Tulane University
University of Buffalo/SUNY
University of California
University of Delaware
University of Illinois
University of Kentucky
University of Maryland
University of Massachusetts
University of Notre Dame
University of Pennsylvania
University of Southern California
University of Tennessee
University of Washington
V Squared Wind, Inc
Vanderbilt University
Velocity Venture Capital
Venrock
Washington State University
Wellford Energy Group
Zaeros, Inc.

*Wald, Matthew L. "Energy Firms Aided by U.S.
Find Backers"
The New York Times. February 2, 2011