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Good Morning! It is great to be here and good to see so many friends. I'm proud to be part of this industry, part of the Ocean Renewable Energy Coalition, and part of the great "change" here in DC that will transform the way we generate, distribute and consume electricity. These are indeed interesting times in the nation's Capital. Last week, the President's science advisor talked about using pollution particles, launched into the atmosphere; to help cool the earth.... how's that going to work? Other reports continue to show the sea ice in the arctic disappearing. This Congress and Administration are determined to do something about climate change and our continued dependence on fossil fuel energy generation. We have a Congress moving towards a "cap and trade" or "cap and dividend", or a carbon tax system, combined with a probable national renewable portfolio or electricity standard. Some form of climate change and energy legislation will eventually happen, but how do we implement these new efforts in a way that supports an affordable, clean, reliable, renewable energy infrastructure in this country? Well, I think part of the solution is developing new technologies, - like maybe using the energy from non-impounded, flowing water to make electricity, power desalinization plants, and biofuel and maybe hydrogen refineries.

So how is OREC working to shape these changes here in Washington DC? I've been with OREC since the beginning and have been lobbying for the industry for almost six

years. At that time, marine renewables or ocean energy wasn't even recognized by our government as a renewable energy source. Through the efforts of OREC and others, mostly lobbying on a shoestring budget, --- we were able to get Ocean Energy as a qualified, federally recognized, renewable energy source on par with wind, solar, geothermal, and biomass in the Energy Policy Act of 2005. We were also able to get parity with other renewables this year related to the Production and Investment tax credit, which came about from our previous lobbying successes in past energy legislation. These successes included getting Ocean Energy into the Renewable Energy Production Incentive program, the Loan Guarantee program, the Clean Renewable Energy Bond program, and finally the success we had in Congress authorizing the establishment of the Water Power R&D program at the Department of Energy.

Obviously, we couldn't have done it without OREC's leadership and strong friends in Congress – most of who hail from coastal states. Friends like Congressmen Jay Inslee and Bill Delahunt, along with Senator's Wyden, Menendez, Murkowski, and Snowe, to just name a few... There are many others in Congress who have supported this industry- and they believe that the promise of this technology we are promoting will eventually work! We are not going to let them down!

OREC has been very active on behalf of our members to help develop a new Marine Renewable Energy Promotion Act this year. This legislation would include raising the authorized amount of R&D funding at DOE from the current \$50 million dollars per

year to \$250 million dollars per year, give the industry a new adaptive management program, include a 5 year depreciation schedule on marine and hydrokinetic assets, and would set up a joint offshore renewable energy permitting office which would put representatives from the Minerals Management Service, the Federal Energy Regulatory Commission, the National Oceanic and Atmospheric Administration, the Army Corps of Engineers and DOE in one room to review and expedite the permitting of offshore renewable energy development. This bill is still being drafted and we are lobbying to have the provisions included in any Energy package that begins to move through Congress, which we expect to happen this summer.

We are also working on getting more funding for this industry. The American Recovery and Reinvestment Act, or stimulus bill passed a couple of months ago and included \$2.5 BILLION dollars for renewable energy R&D. OREC is working with our congressional champions to ask Secretary Chu to spend just 10%, or \$250 million dollars, to get devices in the water to test for this industry. We should know over the next few weeks DOE's decision to allocate this stimulus funding. We are hopeful that DOE leadership will acknowledge the advances made by this industry with additional funding support. We would like our hard working colleagues at DOE - Alejandro Moreno's excellent team to have significantly more resources to spend on Marine Renewables R&D! Additionally, we are lobbying Congress to include \$50 million in the 2010 budget for this DOE program,

which would add to the \$40 million already appropriated to the Water Power R&D program established by Congress almost two years ago.

Here's the bottom line on what I see as the immediate needs of the industry:

We need more research and development funding, - Department of Energy Lab support, and a testing infrastructure that can get devices, cost-effectively into the water to see if they work. We need a clear, regulatory regime that treats this industry fairly. We need the environmental community to help this industry grow as an alternative to carbon emitting generation. We need technology development that builds upon success and demonstrates the viability and future of this industry. We need to continue to communicate a common agenda in Congress that promotes the industry as a whole – as demonstrated since the creation of OREC. With your help and support for OREC, we can capitalize on our success here in Washington and get clean renewable energy from the waves, tides, currents and ocean temperature differences! President Obama said yesterday....

"We all know that the country that harnesses this energy will lead the 21st century. Yet we have allowed other countries to outpace us on this race to the future. Well, I do not accept a future where the jobs and industries of tomorrow take root beyond our borders. It is time for America to lead again."

Thank you for your time and for allowing me to be a part of OREC. I look forward to meeting with you to discuss how you can take advantage of the many opportunities within this industry and to answer any questions. Thanks again!