



PUBLIC UTILITIES COMMISSION

STATE OF CALIFORNIA  
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MICHAEL R. PEEVEY  
PRESIDENT

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October 11, 2007

The Honorable Nancy Pelosi  
Office of the Speaker  
H-232, US Capitol  
Washington, DC 20515

Dear Nancy:

I am writing to express my concerns regarding recent developments with respect to the solar investment tax credit and pending federal energy legislation. In my view any energy bill must include the ITC. Failure to do so will have a devastating impact on the development of solar energy in California and the nation and limit California's ability to deliver on our aggressive renewable energy goals. Given the Bush Administration's inaction on global climate change, direct federal support of low-carbon energy technologies through policies like the ITC, are crucial to California's progressive energy policies.

As you know, our state has embarked on a path toward a low-carbon future, as codified in state law with the passage of AB32. Achieving this vision at reasonable cost requires substantial investments to drive low-carbon technologies forward and costs down. Solar clearly has a major part to play and, frankly, should the ITC be repealed or allowed to expire, it will be tantamount to imposing a rate hike on California businesses and consumers by slowing the pace of investment and retarding the technological innovation so vital to reducing greenhouse gases.

I strongly urge you to preserve the ITC. Allowing energy legislation to pass without it is a compromise we cannot afford to make.

Sincerely,

A handwritten signature in black ink, appearing to read "M. R. Peevey".

Michael R. Peevey  
President