



CALIFORNIA SOLAR ENERGY INDUSTRIES ASSOCIATION

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P.O. Box 782, Rio Vista, CA 94571

The Honorable Nancy Pelosi
United States House of Representatives
235 Cannon
House Office Building
Washington D.C, 20515
Via Fax: 202-225-4188

October 27, 2007

Re: Extension of Federal Solar Tax Credits

Dear Speaker Pelosi :

I am writing on behalf of the California Solar Energy Industries Association (CALSEIA), the largest solar industry association in the United States. CALSEIA was founded in 1977 and its membership includes manufacturers, installers, distributors, engineers, and consultants – all involved in selling and installing solar electric (photovoltaic) and solar thermal (water heating, solar process energy, solar heating and cooling, and utility-scale solar thermal for electricity generation). Solar energy is their livelihood.

We are working closely with the National Solar Energy Industries Association (SEIA) to support efforts to extend the federal solar energy investment tax credits for homeowners and businesses this year. California, the sunshine state, relies upon the support provided by the federal tax credits to reduce peak electricity demand by installing clean solar energy technologies on homes and businesses throughout California. Without these incentives, this industry will slow its growth and be crippled in its efforts to install solar.

Specifically, we urge the California delegation to do whatever it takes to ensure action on the extension of the federal solar tax credits this year. The provisions put forward by SEIA are:

- An 8 year extension of the 30% business investment tax credit
- A 6 year extension of the 30% residential tax credit
- Elimination of the existing \$2,000 limit on the 30% residential tax credit
- ITC credit against the Alternative Minimum Tax
- Change in law to allow public utilities to receive the Investment tax

Your California businesses are trying to grow and provide power in the face of tremendous uncertainty about the tax credit extension. It is impossible to make the types of investments necessary to expand when they do not know if their businesses will be drastically curtailed in 12 months, when the current tax credits expire.

For California, there is no choice but to have as much clean energy in its resource mix as possible. We need it to offset peak electricity demand, reduce demand for natural gas, reduce greenhouse gas and other emissions, and provide energy for our economy. Looking forward at California's energy choices, if

we do not grow the use of solar as much as possible, we will adversely impact California's ability to provide reliable and affordable energy supplies. Solar on homes and businesses defers the need to expand transmission and distribution capacity as well as offsets the most expensive and dirtiest generation supplies.

California voters overwhelmingly support policies that support solar and clean energy sources. Survey after survey shows that both registered Democrats and Republicans want policies that promote the use of solar energy.

CALSEIA wholeheartedly supports these provisions. We urge you to help make sure that these tax credits are extended this year.

Sincerely,

A handwritten signature in black ink that reads "Sue Kateley". The signature is written in a cursive, flowing style.

Sue Kateley
Executive Director