



**EDISON ELECTRIC  
INSTITUTE**

January 17, 2008

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington, D.C. 20510

Dear Speaker Pelosi and Majority Leader Reid:

On behalf of the Edison Electric Institute (EEI), I want to encourage you to pass the electricity related provisions of the energy tax title that were not included in H.R. 6, the "Energy Independence and Security Act of 2007." It is imperative that Congress acts soon to pass the important energy tax provisions that are so critical to the utility industry's efforts to reduce greenhouse gas emissions while meeting the growing demand for electricity.

The House-passed bill and the energy tax title considered by the Senate in December contained several provisions of importance to the electric utility industry and our consumers. We strongly support a long-term extension of the production tax credit (PTC) for renewables at full value. Both bills also would have provided an eight-year extension of the 30% solar investment tax credit (ITC) and removal of the utility exclusion for solar and geothermal property, which we also strongly support. Long-term extensions of these tax credits will provide the market stability necessary in the wind, solar, geothermal and other renewable sectors to encourage increased investments and growth in these generation technologies. These provisions are essential to assuring investor confidence and continuing the progress we have been making in expanding the role of renewables in our electricity mix.

Both bills also contained other provisions of strong interest to our industry. The bills would have provided shorter depreciable lives for "smart meters." This will spur investment in smart grid technology and greatly enhance both the efficient use of electricity and the reliability of the electric utility system. In addition, both bills would have extended the tax credit for energy-efficient improvements to existing homes and expand the deduction for commercial buildings. These provisions are important to utility's energy efficiency programs. The bills also contained tax credits to encourage the purchase of plug-in hybrid electric vehicles. These vehicles will help our country enter a new era of clean transportation and greater independence; they will help to reduce greenhouse gas emissions and will help to reduce our need to import oil from foreign nations, as they are powered by domestic energy sources.

Finally, the Senate bill included provisions that would provide \$2 billion of tax credits for the creation of advanced coal electricity projects and certain gasification projects that demonstrate

the potential for carbon capture and storage. If properly crafted, this would enhance the quality of our environment and also promote economic growth.

Again, we strongly support moving forward with these critical tax provisions, and we look forward to working with you to secure their passage.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Kuhn", written in a cursive style.

Thomas R. Kuhn

TRK:jab

Cc: The Honorable Mitch McConnell

The Honorable John Boehner

The Honorable Max Baucus

The Honorable Charles Grassley

The Honorable Charles Rangel

The Honorable Jim McCrery