

November 12, 2007

The Honorable Nancy Pelosi
Speaker of the House
H-232, U.S. Capitol
Washington, DC 20515

Dear Speaker Pelosi:

Safeway Inc. is a Fortune 100 company and one of the largest food and drug retailers in North America, based on sales. The company operates 1,738 stores in the United States and western Canada and had annual sales of \$40.2 billion in 2006. Safeway operates 526 stores in California.

As you consider pending energy legislation, I respectfully request that you include extension and expansion of the solar investment tax credit (ITC). Extension and expansion of the solar investment tax credit would assure Safeway's ability to continue to invest in solar electric power to better manage our company's energy costs and reduce our corporate carbon footprint. Solar power represents a proven, domestic U.S. energy supply that will reduce our nation's reliance on volatile foreign energy supplies while contributing to new, high-paying jobs. This long-term policy would provide our company and others with the stability needed to plan multi-year investments in on-site solar technology.

We urge you to:

- Extend the ITC for 8 years for both residential and commercial customers;
- Remove the \$2,000 limit on the residential ITC for consistency with the commercial 30% cap;
- Permit corporate and individual taxpayers to claim the ITC against the AMT; and
- Eliminate the public utility exception to the ITC.

U.S. business leaders seek federal leadership that would allow them to make meaningful, cost effective investments in clean, renewable energy supplies. We look to your leadership in passing legislation that will allow Safeway to more effectively manage our direct energy costs, while also contributing to our nation's energy independence through increased use of solar power.

Thank you for your consideration of our position.

Sincerely,

Joe Pettus
Senior Vice President
Fuel and Energy
Safeway Inc.

Cc: Shannon Campagna, Vice President, Federal Government Affairs, Safeway Inc.