



**EDISON ELECTRIC
INSTITUTE**

December 7, 2007

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

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Charles Grassley
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Senators:

On behalf of the Edison Electric Institute (EEI), I want to express our strong support for the electricity-related tax incentives that are included in H.R. 6, the "Energy Independence and Security Act of 2007." These tax provisions would promote the generation of electricity from renewable energy resources, facilitate new "smart meters" technology, hasten the commercialization of plug-in hybrid electric vehicles, and support end-use energy efficiency.

Specifically, this bill contains several provisions of importance to the electric utility industry and our consumers. We strongly support the bill's provisions that would: 1) provide a long-term extension of the production tax credit (PTC) for renewables; 2) extend the 30% solar investment tax credit (ITC) for 8 years and remove the utility exclusion; 3) allow "smart meters" to be depreciated over 7 years; 4) provide a 2-year extension of Transco provisions that were first enacted in the Energy Policy Act of 2005; 5) provide tax credits for plug-in hybrid electric vehicles; 6) extend energy efficiency tax incentives for appliances, commercial buildings and residential dwellings; and 7) provide tax credits for advanced clean coal electricity projects and certain gasification projects.

We would like to work with you on minor improvements to the "smart meters" and clean coal language, and we look forward to working with you and your staff as the process goes forward. We strongly support including these tax incentives in an energy bill that is passed by Congress.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Kuhn".

Thomas R. Kuhn
TRK:jb