

WASHINGTON— U.S. Rep. Harry E. Mitchell today urged House Speaker Nancy Pelosi to the save the 30 percent investment tax credit for solar energy that is set to expire at the end of 2008.

“Investing in solar energy is vital to Arizona’s economy,” said Mitchell in a letter to the Speaker, citing Abengoa Solar and Arizona Public Service’s plans to develop the world’s largest solar power plant in southwestern Arizona, the 280-megawatt solar-thermal Solana Generating Station.

The U.S. House of Representatives has repeatedly sought to extend these critical solar tax credits.

Most recently, the House passed H.R. 6049, the Renewable Energy and Job Creation Act of 2008, in May. This legislation would:

- Extend a 30-percent investment tax credit for solar energy property for six years until 2014. This legislation would repeal a current provision that prohibits public utilities from claiming the investment credit. This tax credit can be used to offset the Alternative Minimum Tax (AMT).
- Extend residential solar property tax credit for six years until 2014 and increase annual cap to \$4,000 from \$2,000. This tax credit can be used to offset the AMT.
- Extend the Research and Development tax credit for one year.

Mitchell Presses Speaker to Save Solar Tax Credits

Sunday, 13 July 2008

According to an Abengoa executive, if Congress fails to extend solar energy tax incentives set to expire in December, “Solana will not happen.” [Source [The Arizona Republic](#) , Feb. 21, 2008].

Below is the text Congressman Mitchell’s letter:

July 14, 2008

The Honorable Nancy Pelosi

Speaker

United States House of Representatives

U.S. Capitol Building, H-232

Washington, DC 20515

Madam Speaker:

As you consider a second economic stimulus package, I urge you to consider including an extension of the 30 percent investment tax credit for solar energy. As you know, this critical solar tax credit is scheduled to expire at the end of 2008.

Today we face not only a weakening U.S. dollar, but families are also being hit hard at the pump with record-breaking gas prices.

I believe we have a real opportunity to brighten our future by investing in solar energy. Producing solar energy will not only decrease our dependence on foreign oil, but large-scale solar projects will also stimulate our economy by creating jobs and boosting local commercial development.

In Arizona, we're lucky to enjoy more than 300 days of sunshine a year. Investing in solar energy is vital to Arizona's economy.

Recently, Abengoa Solar and Arizona Public Service announced exciting plans to develop the Solana Generating Station, a 280-megawatt solar-thermal energy plant in southwestern Arizona. This would be the world's largest solar power plant.

Solana will not only be a leading source of emission-free electricity, but it will also spark

significant economic development for Arizona.

The construction of Solana will create more than 1,500 jobs. Moreover, the economic development impact from this Solana is expected to exceed \$1 billion.

However, the largest obstacle to large scale energy projects like Solana is the potential expiration of the 30 percent investment tax credit for solar energy. Both Abengoa and Arizona Public Service executives have candidly stated that "Solana will not happen" without the extension of essential solar tax credits.

While the House has considered several measures to extend this 30 percent investment tax credit, the Senate has yet to pass this critical legislation.

Under your leadership, this Congress has already taken unprecedented action to move stimulate our economy and move our nation toward energy independence. I urge you to move one step further by including the extension of the 30 percent investment tax credit for solar in the upcoming stimulus package.

Sincerely,

Harry E. Mitchell

Member of Congress