

May 22 2008

The Arizona Solar Energy Industries Association is provided the following information and identified specific actions to further the use of solar energy in the State.

Re: HB2766 Omnibus Energy Act of 2008.

This Bill promotes energy efficiency and clean renewable energy in Arizona, and is on the Rules Committee agenda. The Governor's recent veto of HB2017, which would have prevented the state from participating in the Western Governors Climate Initiative, could produce some retaliation and threat to implementing this important Arizona legislation.

The Arizona Solar Energy Industries Association is asking people to call their Senator and ask support of this Bill as written, with the Flake substitute floor amendment.

* HB2614 – Renewable Energy Valuation; Expiration Extension AriSEIA is asking people to call their Senators in support of this legislation which extends the date for the property tax incentive for the valuation of renewable energy equipment from 2011 to 2040. This tax incentive is something that AriSEIA was instrumental in implementing some years ago and now needs an extension to insure that it stays on the books and benefits large-scale solar energy systems.

* HB2221 county subdivisions; notification. AriSEIA is asking people to call their Senators and ask them to OPPOSE this Bill, which has a strike everything amendment on Green Buildings that was pushed by the Central Arizona Homebuilders Association and limits the ability of cities and towns to implement green building programs. AriSEIA calls this a blatant attempt by the homebuilders to throw a monkey wrench into the efforts of cities and town to promote green building. It still awaits action by the Rules Committee.

HB2333 county powers; outdoor fires (Mason)

This Bill had a strike everything amendment on renewable energy; generation; manufacturing; classification in Natural Resources and Rural Affairs. It is assigned to two other committees, so will die unless it is withdrawn. It lowers the property tax assessment ratio for property using renewable energy and the manufacturing of renewable energy equipment. AriSEIA requests people to ask their Senator to support movement on this bill.

REGARDING CONTACTING LEGISLATORS

To email legislators go to <http://www.azleg.gov/MemberRoster.asp>. If you are not sure who your legislators are, please go to <http://www.vote-smart.org> (You will need your 9-digit zipcode.) or call the House or Senate information desks.

If you're outside the Phoenix area, you can call your legislators' offices toll free at 1-800-352-8404. In the Phoenix area call (602) 926-3559 (Senate) or (602) 926-4221 (House). Correspondence goes to 1700 W. Washington, Phoenix, AZ 85007-2890. For more information on legislation go to <http://www.azleg.gov>.

NATIONAL LEGISLATIVE NEWS

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ITC Update and Action Alert From SEIA (NATIONAL SOLAR ENERGY INDUSTRIES ASSOCIATION)

On Thursday, the House Ways and Means Committee approved the Energy and Job Creation Act of 2008 (HR 6049, formerly the Energy and Tax Extenders Act), a \$54 billion energy and tax extension package that extends for one year tax provisions that expired in 2007; extends for one

year certain provisions that expire in 2008; and provides a package of energy tax incentives, including an extension and improvements to the solar ITC.

The Bill extends for six years, the 30 percent investment tax credit for both residential and commercial solar energy through 2014.

The Bill also

- * increases the annual credit cap on residential solar energy to \$4,000 (currently capped at \$2,000)
- * removes an existing limitation that prevents public utilities from claiming the investment tax credit
- * provides a new 10 percent investment tax credit for combined heat and power systems (microturbines and fuel cells).
- * allows these credits to be used to offset the alternative minimum tax (AMT).

The Bill does not use controversial revenue raisers on oil and gas companies, previously included in House proposals.

The total cost of the energy tax incentives is nearly \$17 billion, with the solar provisions at just under \$1 billion over 10 years. The legislation also extends some tax provisions that expired in 2007, including the R&D credit.

House floor action has been scheduled for Wednesday, May 21. SEIA staff will monitor the bill's progress through the House and into the Senate.

Urgent Member Action Alert!*

SEIA is asking people to contact their Senators and urge them to pass HR 6049 and extend vital energy tax provisions.

To find your Senators' contact information, go to <http://www.congress.org/congressorg/directory/congdir.tt> and type in your zip code.

SOME TALKING POINTS INCLUDE:

****** The clean energy tax incentives play a vital role in creating new high-wage American jobs, spurring economic growth, promoting consumer purchases of energy efficient products, lowering energy bills for consumers and businesses, and of course reducing global warming pollution.

****** The incentives help the U.S. catch-up with other countries on the development and deployment of clean energy technologies.

****** Every day that passes without an extension places more American jobs at risk. Clean energy projects in the U.S. are already being put on hold while overseas growth in jobs and manufacturing of equipment is surging

****** This is slowing our transition towards energy independence and our ability to remain competitive in the new clean economy that is going to be a huge part of the future.

As part of this effort, SEIA has joined with a wide coalition of businesses, construction companies, environmental organizations, investors, labor, nongovernmental organizations, public health organizations, religious organizations, states, trade associations and utilities to support HR 6049

For more information on this Action Alert and how you can help, please check the SEIA Web site at www.seia.org.

***Senator John McCain**

Contact Information - Washington D.C. Websites: Senator McCain's Office * Washington** D.C.

* Website <http://mccain.senate.gov/>

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* <http://mccain.senate.gov/index.cfm>

* Washington, D.C. Address - 241 Russell Senate Office Building, Washington, DC 20510

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* Website: * <http://kyl.senate.gov/index.cf>

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****Background Resources:**

* "Economic Impacts of the Tax Credit Expiration" - Study by Navigant Consulting http://seia.org/Navigant_Tax_Credit_Impact.pdf <<http://www.seia.glmailmx04.com/>>
* SEIA Letter to Chairman Rangel on Residential Solar Incentives
<http://seia.org/Residential%20Solar%20Letter%20Rangel.pdf>.

*Text of the House legislation:
<http://waysandmeans.house.gov/media/pdf/110/6049.pdf>

Summary of the House legislation:
<http://waysandmeans.house.gov/media/pdf/110/bill.pdf>

* Op-ed by Calif. PG&E CEO Peter Darbee calling for passage of the ITC:
<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/05/13/ED4F10LJ07.DTL>
"Failure by Congress to renew the credits could cost the United States more than 100,000 jobs and billions of dollars annually in new investments. These losses would be felt across the country, in states such as California, Colorado, Illinois, Iowa, Minnesota, North Dakota, Oklahoma, Oregon, Pennsylvania, Texas, and Washington. As a major buyer of renewable energy, we at Pacific Gas and Electric Co. are concerned that without proper tax incentives, there will be a significant slowdown in the development and construction of new renewable energy projects going forward, as developers and investors wait to see whether Congress will act."

"Time to vote solar" by Arizona Republic, April 22

<http://www.azcentral.com/arizonarepublic/opinions/articles/0422tue1-22.html>

"...solar power must be a big part of our future. We need the right policies and incentives to fuel it. Sunshine is clean, and we don't have to worry about pumping the well dry... Big projects like the APS Gila Bend plant hinge on the right mix of financial incentives. Other factors are driving the spread of solar, including higher electric bills and the likelihood of a "carbon tax" on polluting sources of energy.

If the federal tax credit isn't extended, according to a federal analysis, new capacity from large solar plants, such as the APS one, would be delayed by 10 to 15 years."

* "Dumb as We Wanna Be" by Thomas FriedmanxNew York Times, April 30

<http://www.nytimes.com/2008/04/30/opinion/30friedman.html>

"While all the presidential candidates were railing about lost manufacturing jobs in Ohio, no one noticed that America's premier solar company, First Solar, from Toledo, Ohio, was opening its newest factory in the former East Germany -- 540 high-paying engineering jobs -- because Germany has created a booming solar market and America has not.

* Letter from Governor Schwarzenegger to Congressional Leadership – May 13, 2008

<http://seia.org/5.13.08%20Schwarzenegger%20Letter%20to%20Leadership.doc>

"As Congress moves forward on legislation to extend tax credits, I must highlight three critical concerns for California. The extension of federal credits related to incentives for research and development, renewable energy and energy efficiency and a continuation of the 'patch' for the alternative minimum tax are hugely important to the health of the California economy."