



Office of the Governor

December 7, 2007

The Honorable Harry Reid
528 Hart Senate Office Bldg
Washington, DC 20510

The Honorable John Ensign
119 Russell Senate Building
Washington, D.C. 20510

The Honorable Shelley Berkley
405 Cannon House Office Building
Washington, DC 20515-4708

The Honorable Jon Porter
218 Cannon House Office Building
Washington, DC 20515

The Honorable Dean Heller
1023 Longworth HOB
Washington, DC 20515

Dear Senators Reid and Ensign and Representatives Berkley, Porter, and Heller:

As the House and Senate work to pass an energy bill to send to the President this year, I am writing to respectfully request your support for a long-term extension of the federal investment tax credit (ITC) and production tax credit (PTC) for renewable energy projects. As you know, the long-term extension of these credits is vital to the development of utility-scale renewable energy projects, as have been proposed in Nevada. It is a critical step toward making renewable energy affordable for Nevada consumers.

Over the course of this year, I have had the opportunity to talk with leaders from the renewable energy industry, many of whom I am pleased to say are interested in siting their projects in Nevada. As they work toward traditionally competitive market prices, renewable energy industry still requires incentives like the ITC and the PTC to help propel them forward.

The renewable energy facilities, like their conventional power counterparts, require a 4-7 year planning, permitting, financing, and construction process. As enacted in 2005, the 30% credit expired at the end of 2007; thanks to Congressional action last year, that expiration was shifted to the end of 2008. However, short-term renewals do not provide the assurances needed to finance these projects at a competitive level; for this reason, long-term such as an eight-year

extension of the credit would help provide a way forward for major investment in renewable energy facilities in Nevada and throughout the southwest.

Nevada has largely untapped renewable energy resources, which, coupled with a business-friendly atmosphere, make our state a golden opportunity for investment by the renewable energy industry. However, without a long-term extension of the ITC and the PTC, several renewable energy projects will be delayed and many may be shelved.

As Governor, I have adopted a diversified energy policy and have placed a strong emphasis on encouraging the development of energy resources in Nevada with a specific focus on the vast renewable energy opportunities within our state. I believe Nevada can be a leader in renewable energy, and sensible tax credits like the ITC and the PTC will play a vital role in encouraging these new technologies to move Nevada – and the nation – closer to energy independence.

I would appreciate your assistance in enacting a fiscally-responsible, long-term extension of these tax credits this year.

Sincerely,



Jim Gibbons
Governor, State of Nevada