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February 26, 2002

The Honorable Harry Reid  
Chairman  
Senate Energy and Water  
Development Subcommittee  
Washington, DC 20510

The Honorable Pete V. Domenici  
Ranking Minority Member  
Senate Energy and Water  
Development Subcommittee  
Washington, DC 20510

The Honorable Sonny Callahan  
Chairman  
House Energy and Water  
Development Subcommittee  
Washington, DC 20515

The Honorable Peter J. Visclosky  
Ranking Minority Member  
House Energy and Water  
Development Subcommittee  
Washington, DC 20515

Dear Senator Reid, Rep. Callahan, Senator Domenici and Rep. Visclosky:

We have reviewed with interest efforts to implement the Congressional direction in the FY 2002 Energy and Water Appropriations bill to develop a plan for bringing 1,000 megawatts of concentrating solar power (CSP) on-line by 2006. In mid-January, Western state energy experts met with the industry and DOE to review the promising technologies.

We believe that with an effective package of federal incentives the 1,000 megawatt goal can be met. Equally important, however, is the need to establish stable market-based incentives that will create a continuing demand for solar technologies; and will support the development of an infrastructure necessary to encourage companies to manufacture CSP technologies in the United States.

Our states have the highest quality solar resources in the industrialized world. We believe that it is in the national interest to deploy technologies to capitalize on these resources. The successful establishment of a domestic CSP industry will provide benefits not just to our region but nationwide as well. Continued deployment of CSP thermal technologies will:

- Provide greater diversity in fuels used to generate electricity using indigenous resources;
- Reduce emissions of traditional pollutants caused by the generation of electricity;
- Potentially ease transmission constraints in the West;


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- Enable the United States to establish itself as the world leader in these promising technologies that will have international as well as national markets;
- Create jobs for Americans;
- Begin to ease the pressure on natural gas supplies created by our growing reliance on this fuel to generate electricity;
- Introduce greater price stability in power markets; and
- Provide a hedge against potential carbon limitations in the future.

We believe that stable incentives will reduce the cost of these technologies, expand their application into broader power markets, and become the basis for establishing a robust domestic industry.

We congratulate your subcommittees and the Congress for foresight in launching this important national initiative and look forward to reviewing the Department of Energy's report to you.

Sincerely,

  
Jane Dee Hull  
Governor of Arizona

  
Kenny C. Guinn  
Governor of Nevada

  
Gary E. Johnson  
Governor of New Mexico

cc: Members of the House and Senate Energy and Water Development Subcommittees  
The Honorable Richard Cheney  
The Honorable Spencer Abraham  
House and Senate delegations in Arizona, Nevada and New Mexico