



Press Release

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IRS Awards CREBs Funding to Several Hydropower Projects

WASHINGTON, DC – The Internal Revenue Service in a recent decision allocated \$800 million in Clean Renewable Energy Bonds (CREBs) to renewable energy projects, including 14 hydropower facilities. However, in comparison to the 600 plus projects that received funding, the 14 hydropower facilities represent a small percentage.

“While NHA is excited to see potential in the hydropower industry realized through the use of the CREBs incentives, it is clear that additional funding for the program is needed. Not only was hydropower underrepresented in the final allocation, but additional hydropower projects were denied due to the lack of funds,” said Linda Church Ciocci, NHA executive director, commenting on the awards.

The CREBs program was adopted in the Energy Policy Act of 2005 and supported by NHA. Under the program, bondholders receive a tax credit from the federal government that can be deducted from their income tax bill. This differs from traditional bonds where the bond issuer pays interest to the bondholder. In effect, CREBs provide issuers, in this case government and electric cooperatives, with interest-free loans for financing and developing renewable energy projects.

The IRS received over 700 applications from all across the country that totaled about \$2.6 billion. EAct 2005 capped the CREBs program at \$800 million, less than one third the amount of the requests received by the April 2006 application deadline.

Added Church Ciocci, “NHA was encouraged by Congress’ recent vote to extend the CREBs program by one year and increase the amount of funding available. However, we believe more needs to be done and urge Congress to adopt a long term extension of the CREBs program. In these times of increased energy demand, the nation needs hydropower - a climate-friendly, renewable, domestic energy resource. With additional economic support like that of the CREBs program, more hydropower can be brought online to meet this need.”

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NHA is a non-profit national association dedicated exclusively to advancing the interests of the U.S. hydropower industry. The association represents 61 percent of domestic, non-federal hydroelectric capacity in the U.S. Its membership consists of more than 140 organizations including public utilities, investor-owned utilities, independent power producers, equipment manufacturers, environmental and engineering consultants, and attorneys.