



January 5, 2011

The Honorable Timothy Geithner
Secretary of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Geithner:

On behalf of not-for-profit rural electric cooperatives and public power systems serving a quarter of the nation's electricity consumers, and consumers of clean hydropower technologies, we are writing to urge you to include an extension of the Clean Renewable Energy Bond (CREB) program in the Administration's FY 2012 budget proposal.

The CREB program was enacted under the Energy Policy Act of 2005. Congress subsequently provided additional bonding authority for the program in 2006 through the Emergency Economic Stabilization Act of 2008 and the American Recovery and Reinvestment Act of 2009. Through the Treasury Department's successful administration of the program, not-for-profit utilities have received combined allocations of over \$2 billion since the program's inception, funding projects across the spectrum of renewable technology.

The CREB program was intended to provide consumers of not-for-profit utilities the same renewable generation incentives that are afforded to consumers of investor-owned utilities. Investor-owned utilities are eligible for the renewable Production Tax Credit, Investment Tax Credit or 1603 Grant-in-Lieu-of-Tax Credit program administered by Treasury. Not-for-profit utilities are not eligible for these programs directly, and the lack of a direct federal incentive often precludes these utilities from owning the renewable facility or developing local resources. Their consumers are therefore deprived of the option to receive power from renewable technologies that still require incentives to be economically viable.

Congress has made significant improvements to the CREB program by providing a "direct payment" option so that the bond issuer can receive an interest subsidy directly from Treasury. This remains an important feature given a lack of demand for tax credits. With this feature, demand for the CREB program is strong, demonstrated by the fact that the funding provided under the stimulus and other bills has been oversubscribed.

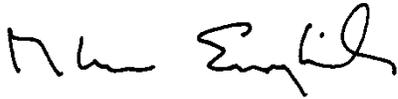
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As we enter 2011, the CREB program is out of funding. Therefore, we are requesting that the Administration's budget recommend significant funding for the program. We appreciate your consideration of this issue and appreciate the timely and effective manner in which Treasury has administered the program since 2005.

Sincerely,



Glenn English

Chief Executive Officer, National Rural Electric Cooperative Association



Mark Crisson

President and CEO, American Public Power Association



Linda Church Ciocci

Executive Director, National Hydropower Association

cc: The Honorable Michael Mundaca
Assistant Secretary for Tax Policy-Designate

Mr. John Cross
Associate Tax Legislative Counsel