

Clean Renewable Energy Bonds

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**National Rural Electric
Cooperative Association**

A Touchstone Energy* Cooperative 

CREBs Overview and Status

- ◆ \$453 Million in approved coop CREBs allocations to electric cooperatives in 2006 and 2007
- ◆ Coops approved for 88 projects including:
 - 12 Hydroelectric projects
 - 24 Wind projects
 - 27 Solar projects
 - 23 Biomass projects
- ◆ 18 projects representing 50 MW of new renewable capacity already online

CREBs - Wind

- ◆ 5 coops have 7 wind projects already on line, for 27 MW
- ◆ At least 10 MW more anticipated in 2009; more still pending

CREBs- New Funding

- ◆ The Emergency Economic Stabilization Act of 2008 and the 2009 Recovery Act added \$2.4 billion to CREBs
- ◆ Up to \$800 million reserved for co-ops
- ◆ Notice 2009-33 – Applications are due by August 4, 2009

Modifications – New CREBs

- ◆ Available until spent rather than being subject to an annual deadline
- ◆ “Bullet” maturity
- ◆ Issuer provides 30% of the interest payments/ Government provides a tax credit equivalent for 70%
- ◆ Strippable
- ◆ Reserve fund can be established to invest monies (on a limited basis)
- ◆ Davis-Bacon prevailing wage labor standards apply

Challenges to the Program

- ◆ Size
- ◆ Subsidy level
- ◆ Marketing – sales at discount?
- ◆ Appetite for tax credit
- ◆ Political support is solid so let's keep refining and improving!