



**National Rural Electric
Cooperative Association**

A Touchstone Energy® Cooperative 

Glenn English
Chief Executive Officer

June 11, 2010

The Honorable Harry Reid
Senate Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Senate Minority Leader
United States Senate
Washington, DC 20510

The Honorable Max Baucus
Chairman, Senate Finance Committee
United States Senate
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member Senate Finance Committee
United States Senate
Washington, DC 20510

Dear Senators:

On behalf of 930 electric cooperative utilities serving consumers in 47 states, I am writing to urge the immediate extension of the Section 1603 renewable energy Treasury Grant Program, and an expansion that will make not-for-profit electric cooperatives directly eligible to participate. I am also writing to thank you for recent improvements to the Clean Renewable Energy Bond (CREB) program, which are a significant help in our efforts to build renewable generation.

Electric cooperatives have applied for nearly \$1 billion in CREB bonding authority for over 100 projects. Building on this success, Congress recently enacted major improvements to the program by providing direct payment of the interest subsidy to the issuer, overcoming challenges to marketing the bonds. However, funding for the program is currently not sufficient to keep up with demand, particularly for large-scale projects.

If the Section 1603 Treasury Grant Program could be extended and expanded prior to the end of this year, it would provide the certainty coops need to immediately move forward with renewable electricity projects. For-profit companies have been given a menu of options for subsidizing renewable projects that coops do not have, including the Production Tax Credit, Investment Tax Credit and Treasury Grant. Electric cooperatives want comparable flexibility to fully develop renewable generation. In this way, coops could tap CREBs for small- to-medium-sized projects, or utilize a tax grant for large-scale projects whose capital costs exceed the availability of volume cap-limited CREBs.

Thank you for considering an extension of the Treasury Grant Program, and for your successful effort to improve the CREBS program. Please feel free to follow up with me or my staff with any questions.

Sincerely,

A handwritten signature in black ink that reads "Glenn English".

Glenn English