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LPPC Urges Ways & Means Committee to Provide Tools To Increase Renewable Resources

Thousands of Jobs to Be Created

The Large Public Power Council (LPPC) has urged the House Ways & Means Committee “to provide **all sectors** of the utility industry with the tools needed to solve the nation’s energy problems while creating thousands of jobs.”

“At the present time, renewable generation is often more expensive than conventional sources.” the LPPC stated. “Despite facing many of the same financial challenges and renewable mandates as private utilities, public power and cooperatives **are not eligible** for the most beneficial incentives such as the production tax credit and the Section 1603 Treasury grant program.”

The LPPC testimony was submitted to the Ways & Means Committee in connection with its hearing on “Energy Tax Incentives Driving the Green Jobs Economy.”

In a statement released today, LPPC Chair Jorge Carrasco asserted that “Public power and the cooperatives provide about 30% of the electricity in the country. If our national policy is to encourage the deployment of renewable resources, we believe that the Congress should enact legislation that would permit public power and the co-ops to become “full partners” with the federal government in speeding job creation and bringing renewable resources on line at a faster pace.”

“LPPC and its members are committed to being in the forefront of the use of renewable resources and other technologies to address climate change concerns,” the large public power group told the Committee. “LPPC members have identified over 6600 megawatts in renewable projects under consideration, including technologies ranging from wind and solar to hydropower, biomass and landfill gas.”

The LPPC estimates that the identified projects are calculated to create some 6800 direct jobs as well as related manufacturing and construction jobs over the lives of the projects.

“Unfortunately, the restrictive cap on CREBs and lack of available comparable incentives (such as the Section 1603 grant program) make the economics of these renewable projects too expensive for direct public power ownership and force these entities to obtain renewable resources by dealing with a third party owner who is able to take advantage of the federal incentive programs” the LPPC emphasized.

“Using third party owners results in a large portion of the federal subsidies being lost and delays getting jobs on the ground,” the LPPC affirmed.” Data collected by the LPPC shows that over 90% of public power’s projects are being done this way, the LPPC maintained, “even though the full federal subsidy is not fully passed through to public power and the operational benefits of owning and operating the facilities are not obtained.”

The LPPC urged the Committee to extend the Section 1603 grant program of the American Recovery and Reinvestment Act (ARRA) and to make the program available to public power systems or to remove the “restrictive cap” on the Clean Renewable Energy Bonds (CREBs) program.

“The recently enacted changes to the CREBs program to provide direct payments to CREBs issuers, similar to the Build America Bonds program, are a beneficial change,” the LPPC testimony noted, “With this change, the marketability challenges have been alleviated and the restrictive cap is the primary issue reducing the effectiveness of the program.”

The LPPC’s membership includes 23 of the nation’s largest publicly owned, not-for-profit energy systems. Members are located in 10 states and provide reliable, low cost electricity to some of the largest cities in the country including Los Angeles, Seattle, Omaha, Phoenix, Sacramento, San Antonio, Jacksonville, Orlando and Austin.

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A copy of the LPPC testimony can be obtained by contacting Rick Morris at rmorris@smithharroff.com or by calling 703 740 1753.