



The Large Public Power Council

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August 9, 2010

The Honorable Doris O. Matsui
U.S. House of Representatives
222 Cannon House Office Building
Washington, DC 20515-0505

Dear Congresswoman Matsui:

The Large Public Power Council (LPPC) is an organization representing 24 of the largest locally owned and operated not-for-profit utilities in the United States. Our members provide reliable, low cost power to some of the nation's largest cities including Sacramento, Phoenix, Los Angeles, Jacksonville, Orlando, Omaha, Seattle, Austin and San Antonio. As the Chair of LPPC, I am writing in strong support of, H.R. 5931, the *Renewable Energy Incentives Act*, which would provide public power direct access to the Section 1603 Treasury Grant Program, that provides grants of up to 30% of the total project cost for eligible renewable energy facilities.

LPPC members are actively pursuing renewable and low-carbon alternatives in an effort to reduce our carbon footprint. In many cases, these renewable sources of electricity generation are more expensive or present more financial risks than traditional sources.

As you know, Congress recognized the difficulties of financing new renewable energy facilities in the current economic climate by establishing the Section 1603 Treasury Grant Program. Unfortunately these grants are not available to publicly owned utilities. Still our members (serving customers in some of the largest cities in America) face similar environmental goals, additional expenses and financial risks as the investor owned utility sector in pursuing renewable projects. The current incentive structure, where public power is unable to directly utilize the Section 1603 program and has no viable alternative incentive, has created a situation where the economics force many LPPC members to find tax partners who are eligible to receive the 30% grant. The net effect is that a vast majority (over 80% based on existing and planned projects) of the renewable energy delivered by LPPC members will be generated at facilities owned by private corporations.

With direct access to the Section 1603 program, large public power systems would have the opportunity to build, own and operate renewable projects. This ability would allow our utilities to reduce the administrative and legal costs associated with partnering with a third party and accelerate the building of planned projects by avoiding lengthy

Austin Energy (TX) • Chelan County PUD (WA) • Clark Public Utilities (WA) • Colorado Springs Utilities (CO) • CPS Energy (TX)
Electricities of North Carolina, Inc. (NC) • IID (CA) • JEA (FL) • Long Island Power Authority (NY) • Los Angeles Department of Water and Power (CA)
Lower Colorado River Authority (TX) • MEAG Power (GA) • Nebraska Public Power District (NE) • New York Power Authority (NY)
Omaha Public Power District (NE) • OUC (FL) • Platte River Power Authority (CO) • Puerto Rico Electric Power Authority (PR)
Sacramento Municipal Utility District (CA) • Salt River Project (AZ) • Santee Cooper (SC) • Seattle City Light (WA) • Snohomish County PUD (WA)
Tacoma Public Utilities (WA)

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negotiations, leading to more immediate job creation. In addition, owning the renewable generation facilities will provide long-term certainty for our customers, which is particularly important in this era of significant price uncertainty.

Thank you for your leadership on this important issue and I look forward to working with you to advance H.R. 5932, the Renewable Energy Incentives Act.

Sincerely,



Jorge Carrasco
LPPC Chair

cc: The Honorable Gabrielle Giffords
The Honorable Jay Inslee