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The Large Public Power Council

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May 8, 2007

The Honorable Maria Cantwell
United States Senate
511 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Cantwell:

The Large Public Power Council (LPPC) strongly supports your bill, The Clean Energy Investment Assurance Act of 2007. We are especially pleased that your legislation extends the Clean Energy Renewable Bonds (CREBs) program for consumer-owned utilities.

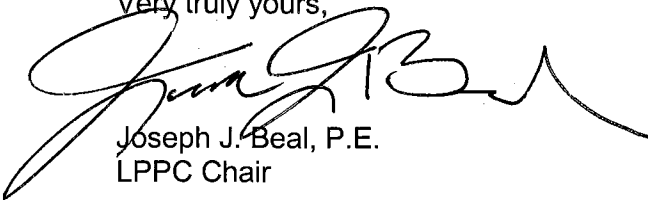
LPPC represents 24 of the largest public power systems in the United States, providing electric power to 40 million consumers in 11 states and Puerto Rico. The Clean Energy Investment Assurance Act of 2007 provides consumer-owned utilities with an important federal incentive for investing in renewable power. Because public power is tax-exempt, we are not able to directly utilize the renewable energy production tax credit, which is the primary federal tax incentive aimed at promoting renewable power.

Congress first recognized the need to create a companion tool for public power by adopting CREBs as part of the Energy Policy Act of 2005. From a large public power perspective, our greatest concern with the existing CREBs program is that its benefits go overwhelmingly to small utilities. The changes made by The Clean Energy Investment Assurance Act of 2007 will remedy some of these issues, while also encouraging more investment in non carbon emitting resources. We support the five-year extension of the program and, although we support an elimination of the volume cap, we are glad that the bill significantly raises it to \$5 billion annually.

Thank you for also acknowledging that the U.S. Treasury's smallest-to-largest project allocation methodology has made it difficult for these bonds to be an effective incentive for large-scale projects. As you are aware, there are technical issues that need refinement, both with respect to the allocation methodology and other aspects of the CREBs rules and we look forward to working with you and your staff on these issues as the process moves forward.

LPPC is pleased to support The Clean Energy Investment Assurance Act of 2007 and appreciates your commitment to the CREBs program. If you have any questions or concerns please feel free to contact me at 1-800-776-5272, ext. 3586.

Very truly yours,



Joseph J. Beal, P.E.
LPPC Chair

Austin Energy (TX) • Chelan County PUD (WA) • CPS Energy (TX) • Clark Public Utilities (WA) • Colorado Springs Utilities (CO)
IID Energy (Imperial Irrigation District, CA) • JEA (Jacksonville Electric Authority, FL) • Long Island Power Authority (NY)
Los Angeles Department of Water and Power (CA) • Lower Colorado River Authority (TX) • Massachusetts Municipal Wholesale Electric Company (MA)
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)
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