



The Large Public Power Council

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January 15, 2009

The Honorable Charles Rangel
Chairman, House Ways and Means Committee
United States House of Representatives
Washington, DC 20515

The Honorable David Camp
Ranking Member, House Ways and Means Committee
United States House of Representatives
Washington, DC 20515

Dear Chairman Rangel and Ranking Member Camp,

On behalf of the Large Public Power Council (LPPC), I am writing to urge inclusion of incentives to consumer-owned utilities commensurate with their share of the utility industry in the economic stimulus bill currently under discussion. LPPC is an organization comprised of 23 of the nation's largest locally owned and controlled power systems. Our members provide reliable, low-cost electricity to more than 45 million people.

LPPC strongly supports a robustly funded Clean Renewable Energy Bonds (CREBs) program for the consumer-owned utilities as an essential complement to the extension of the renewable energy production tax credit (PTC).

Since consumer-owned utilities (municipals and cooperatives) represent 25% of the utility industry, the amount of permitted CREBs should reflect a federal commitment representing about 25% of the total renewable incentives available to the electricity sector. In other words, the extension of the PTC should represent 75% of renewable incentives and CREBs should represent 25% of the respective "score" to the US Treasury.

Austin Energy (TX) • Chelan County PUD (WA) • CPS Energy (TX) • Clark Public Utilities (WA) • Colorado Springs Utilities (CO)
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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For example, assuming that a 3 year extension of the current renewable production tax credit has a revenue estimate of about \$25 billion, a commensurate revenue "score" for additional CREBs should total \$8.3 billion. Because the revenue score of CREBs represents only about 30% of the capped level, this translates into a cap of nearly \$27 billion of additional CREBs for consumer-owned power. It is worth noting that the current CREBs program, with an \$800 million cap, involves assistance to consumer-owner renewable power that is less than 2 percent of the amount provided each year for production tax credits.

We know you are working hard to create a package of incentives to stimulate the economy, create "green jobs" and build energy new infrastructure. The recommended increase in allocation to CREBs will help to achieve these goals. Based on a recent survey of LPPC members, we estimate that we have "shovel-ready" projects totaling 6,000 megawatts (MW) of renewable-generated power, including 4100 MW of wind, 900 MW of solar, 400 MW of biomass, 550 MW of geothermal and 50 MW of tidal/small hydropower/landfill gas. The projects would total \$15.7 billion. Moreover, based on a 2004 UC-Berkeley study, we estimate that 6000 MW of renewable generation for \$15.7 billion of projects will create 12,200 direct jobs each year for the life of the facilities. This is in addition to the many additional indirect jobs that such a major investment would generate across a diverse geographic cross section of the United States.

Once again, we respectfully urge you to provide comparable incentives to consumer-owned utilities, commensurate to our share of the utility industry. Thank you for your consideration.

Sincerely,



Robert P. Johnston
LPPC Chair

RPJ/msr