




**National Rural Electric
Cooperative Association**

A Touchstone Energy® Cooperative 

Glenn English
Chief Executive Officer

September 26, 2008

The Honorable Nancy Pelosi
Speaker of the House
House of Representatives
Washington, DC 20515

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

Dear Speaker Pelosi and Chairman Rangel:

This nation's electric cooperatives are fervent supporters of cost effective renewable energy and have demonstrated our commitment to investing in renewable technologies. That is why we are so disappointed that the tax bill passed today by the House lacks the Clean Renewable Energy Bond (CREB) program. This program is critical to ensuring that not-for-profit electric cooperatives and municipal utilities can invest in new renewable generation.

The Clean Renewable Energy Bond program has also been included in numerous bills passed by the House and which we have actively supported, including H.R. 2776, H.R. 6049 and H.R. 5351. It is important to note that the Senate tax bill contains an extension of the CREB program. I urge the House to accept this provision as it finalizes energy legislation.

The Clean Renewable Energy Bond program was enacted in 2005 with broad, bipartisan support and provided the first ever opportunity for electric cooperatives to have incentives *comparable* to those provided to for-profit utilities to develop new, clean generation for rural consumers. The program has been oversubscribed each year and spurred hundreds of projects, but has gone unfunded since 2007. We estimate that the program has developed well over 4,500 MW of new generation capacity from wind, hydropower, geothermal, solar and biomass, translating to more than 20,000 jobs.

Keep in mind that the Department of Energy concludes that the U.S. will need 118 gigawatts of additional generating capacity by 2020. Renewable generation will be an important part of our energy mix, but cooperative must retain incentives to keep this power affordable like the rest of the industry. Moreover, electric cooperatives are growing twice as fast as the rest of the industry and our consumers have the lowest household income. Because we are not-for-profit, any additional costs in electrical generation must be passed onto our consumers. Congress should not exclude electric cooperatives from incentives like the CREB program that allow us to develop renewable generation and keep costs affordable for our low-income consumers.

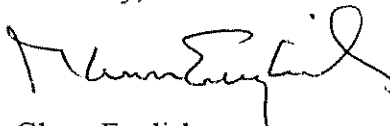


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Given previous bipartisan House support for the provision and the fact that the House bill extends the Production Tax Credit for shareholder-owned utilities traded on Wall Street, it is inexplicable that the House would strip a provision affecting customers of not-for-profit utilities. Please work to ensure that this program – critical to your stated goals of promoting new renewable generation, creating new “green” jobs, mitigating carbon emissions and providing equitable access to renewable energy – will be reauthorized and fully funded in this bill.

We stand ready to work with you on this important endeavor.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn English". The signature is fluid and cursive, with a large loop at the end.

Glenn English

cc: Members of Congress