




**National Rural Electric
Cooperative Association**

A Touchstone Energy* Cooperative 

Glenn English
Chief Executive Officer

December 1, 2011

The Honorable Dave Camp
Chairman
House Ways and Means Committee
Washington, D.C. 20515

The Honorable Max Baucus
Chairman
Senate Finance Committee
Washington, D.C. 20510

The Honorable Sander Levin
Ranking Member
House Ways and Means Committee
Washington, D.C. 20515

The Honorable Orrin Hatch
Ranking Member
Senate Finance Committee
Washington, D.C. 20510

Dear Chairmen and Ranking Members:

As the year ends, we are writing to encourage you to include incentives for renewable electricity resources, together with comparable incentives tailored for not-for-profit electric cooperatives, if there is a tax bill addressing energy extenders.

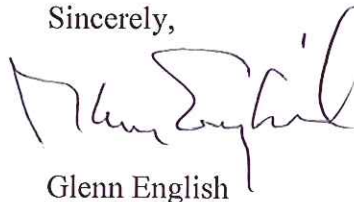
The National Rural Electric Cooperative Association represents over 900 not-for-profit electric cooperatives serving 42 million consumers in 47 states. An incentive that has been critical to the success of renewable projects in a challenging economic environment – the 1603 Treasury Grant Program – is set to expire in just weeks, and the Clean Renewable Energy Bond (CREB) program that directly benefits not-for-profit utility consumers exhausted its funding as of the end of 2010.

If both programs are allowed to simply expire, the development of new renewable projects or execution of new power purchase contracts by not-for-profit cooperatives will grind nearly to a halt. The reality remains that developing new renewable electricity is not nearly competitive with the cost of natural gas or coal-fired power plants. Yet there remains an opportunity to develop renewable projects in resource-rich areas of the country served by electric cooperatives for the long-term benefit of consumers.

Renewable incentives are key to assisting utilities to meet mandates and add new generation at a time when meeting the Environmental Protection Agency's clean air requirements is increasingly challenging and expensive.

Electric cooperatives are still growing in numbers of consumers served, still adding new power generation and still seeking the means to develop infrastructure projects beneficial to consumers nationwide. The 1603 Treasury Grant Program and CREBs are two programs with proven track records. We write to ask that you fully consider that the consequences of simply letting these programs expire will significantly diminish future activity to advance renewable technologies. We offer our assistance as you revisit tax policies to support renewable incentives with an eye toward developing incentives that are effective, and available on an equitable basis to not-for-profit utilities.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn English", with a stylized, cursive script.

Glenn English