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Treasury Allocates \$2.2 Billion in Clean Renewable Energy Bonds

On October 27, 2009, the U.S. Department of the Treasury announced the allocation of \$2.2 billion in Clean Renewable Energy Bonds ("CREBs") for 805 recipients across the United States. This allocation is funded under the recent stimulus acts, the Energy Improvement and Extension Act of 2008 and the American Recovery and Reinvestment Act of 2009. The CREBs, or "New CREBs," as they are referred to in the legislation, are intended to help government agencies, public power providers and cooperative electric companies obtain lower-cost financing for clean energy development projects.

IRS Notice 2009-33 (the "Notice") had solicited applications for and provided guidance on the allocations of the national bond volume limitation authority ("volume cap") to issue new clean renewable energy bonds under Section 54C of the Internal Revenue Code. Section 2 of the Notice noted that Section 54C(c) of the Internal Revenue Code provides that the Secretary shall allocate no more than one-third of the volume cap to qualified projects owned by public power providers, governmental bodies and cooperative electric companies, respectively. Section 6 of the Notice provided guidance on the methodologies to be used in allocating up to \$800 million (one-third) of the \$2.4 billion in volume cap to qualified projects owned by governmental bodies,

cooperative electric companies and public power providers, respectively.

The IRS received 997 applications requesting a total of \$3,067,934,792.47 in volume cap for projects to be owned by governmental bodies. Pursuant to the Notice, the Service allocated \$800 million in volume cap for governmental bodies to 739 projects using a smallest-to-largest methodology. The Service received 31 applications requesting a total of \$609,204,555 in volume cap available for projects to be owned by cooperative electric companies. Pursuant to the Notice, the Service allocated \$609,204,555 in volume cap for cooperative electric companies to 31 projects using a smallest-to-largest methodology until all qualified applications from cooperative electric companies have been granted. The Service received 38 applications requesting a total of \$1,445,771,056 in volume cap available for projects to be owned by public power providers. Pursuant to the Notice, the Service allocated \$800 million in volume cap for public power providers to 35 projects using a pro rata methodology.

Links

[Treasury announcement](#)

[IRS announcement](#)

[List of applicants](#) to which an allocation of New CREBs was made.