



Qualified Energy Conservation Bonds (“QECBs”) & New Clean Renewable Energy Bonds (“New CREBs”)

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Overview

QECBs

- Qualified Energy Conservation Bonds (QECBs) may be issued by state, local and tribal governments to finance qualified energy conservation projects. A minimum of 70% of a state's allocation must be used for governmental purposes, and the remainder may be used to finance private activity projects.
- Qualified projects are defined broadly (detailed discussion to follow). Examples of qualified projects include energy efficiency capital expenditures in public buildings, green communities, renewable energy production, various research and development, efficiency/energy reduction measures for mass transit, and energy efficiency education campaigns.
- The United States Treasury (U.S. Treasury) allocated \$3.2 billion to states according to population. There is no statutory deadline for eligible public entities to issue QECBs.
- QECBs were originally structured as tax credit bonds. However, the March 2010 HIRE Act (H.R. 2847 (Sec. 301)) changed QECBs from tax credit bonds to direct subsidy bonds similar to Build America Bonds (BABs). The QECB issuer pays the investor a taxable coupon and receives a rebate from the U.S. Treasury.

New CREBs

- New Clean Renewable Energy Bonds (New CREBs) may be issued by public power utilities, electric cooperatives, government entities (states, cities, counties, territories, Indian tribal governments), and certain lenders to finance renewable energy projects.
- Qualifying technologies are generally the same as those eligible for the federal renewable energy tax credits. (i.e., solar, wind, biomass, solid waste, hydro, etc)
- Treasury allocated \$2.4 billion on a competitive basis. Bonds must be issued by October 27, 2012.
- CREBs were originally structured as tax credit bonds. However, the March 2010 HIRE Act (H.R. 2847 (Sec. 301)) changed CREBs from tax credit bonds to direct subsidy bonds similar to Build America Bonds (BABs). The issuer pays the investor a taxable coupon and receives a rebate from the U.S. Treasury.
- The net coupon payment is the lesser of the actual taxable rate or 70% of the Tax Credit Rate, established daily by the U.S. Treasury.



Volume Allocation



QECB Volume Allocation

- On February 19, 2009, The American Recovery and Reinvestment Act (ARRA) of 2009 increased the national bond cap for QECBs by \$2.4 billion to a total of \$3.2 billion.
- **IRS NOTICE 2009-29 provides allocations for the \$3.2 billion of QECBs:**
 - The U.S. Treasury allocates the bond cap based on population taken from the US Census Bureau as of July 1, 2008.
 - Each State is then required to allocate bond cap to any large municipality with a population over 100 thousand based on the municipality's percentage of total state population.
 - For example, if a municipality represents 10% of the State's population, it gets 10% of the State's bond cap allocation.
 - Municipal population data is taken from the Census Bureau as of July 1, 2007
- If they do not intend to issue QECBs, recipient municipalities may reallocate their allocated bond cap back to the State.
- A maximum of 30% of QECB allocations may be used for private activity purposes. At least 70% of QECBs to States and municipalities must finance governmental projects.



QECB Volume Allocation

The table below lists QECB allocations by State. Each State must allocate QECB issuance capacity to large municipalities (>100K populations).

State/Territory	Allocation	State/Territory	Allocation	State/Territory	Allocation
Alabama	48,364,000	Maine	13,657,000	Pennsylvania	129,144,000
Alaska	7,120,000	Maryland	58,445,000	Rhode Island	10,901,000
Arizona	67,436,000	Massachusetts	67,413,000	South Carolina	46,475,000
Arkansas	29,623,000	Michigan	103,780,000	South Dakota	8,343,000
California	381,329,000	Minnesota	54,159,000	Tennessee	64,476,000
Colorado	51,244,000	Mississippi	30,486,000	Texas	252,378,000
Connecticut	36,323,000	Missouri	61,329,000	Utah	28,389,000
Delaware	9,058,000	Montana	10,037,000	Vermont	6,445,000
District of Columbia	6,140,000	Nebraska	18,502,000	Virginia	80,600,000
Florida	190,146,000	Nevada	26,975,000	Washington	67,944,000
Georgia	100,484,000	New Hampshire	13,651,000	West Virginia	18,824,000
Hawaii	13,364,000	New Jersey	90,078,000	Wisconsin	58,387,000
Idaho	15,809,000	New Mexico	20,587,000	Wyoming	5,526,000
Illinois	133,846,000	New York	202,200,000	American Samoa	673,000
Indiana	66,155,000	North Carolina	95,677,000	Guam	1,826,000
Iowa	31,150,000	North Dakota	6,655,000	Northern Marianas	899,000
Kansas	29,070,000	Ohio	119,160,000	Puerto Rico	41,021,000
Kentucky	44,291,000	Oklahoma	37,787,000	US Virgin Islands	1,140,000
Louisiana	45,759,000	Oregon	39,320,000		

TOTAL ALLOCATED: \$3.2 billion



New CREBs Volume Allocation

- On February 19, 2009, The American Recovery and Reinvestment Act (ARRA) of 2009 increased the national bond cap for New CREBs by \$1.6 billion to a total of \$2.4 billion.
- Applications for bond volume allocation for the \$2.4 billion of New CREBs were due August 4th, 2009 and awards were made on October 27, 2009.
 - The IRS is not currently accepting applications for New CREB bonds allocations.
- **IRS NOTICE 2009-33 establishes New CREB Allocations as follows:**
 - **Public Power Utilities: \$800 million**
 - **Cooperative Electric Companies: \$609 million**
 - **Governmental Bodies: \$800 million**
 - The full list of New CREB allocations is located at http://www.irs.gov/pub/irs-tege/ncrebs_2009_allocations_v1.1.pdf
- **Allocation Methodology**
 - No more than 1/3 of the volume cap can go to any of the following; public power providers, governmental bodies, and cooperative electric companies.
 - Public Power Providers: The U.S. Treasury identifies qualified projects and CREB allocations are made to all of these projects as a percentage of each project's cost. All projects receive the same percentage based upon the overall portion of the CREB volume cap that may be allocated to public power providers.
 - Governmental Bodies and Cooperative Electric Companies: CREB awards that finance all project costs are allocated on the basis of project size—starting with the smallest qualified project—and continue until the overall portion of the CREB volume cap that may be allocated to governmental bodies and cooperative electric companies is exhausted (or until all qualified applications have been funded).



New CREBs Volume Allocation

The table below lists the States in which CREB bond allocations were awarded. For specific issuer names, visit http://www.irs.gov/pub/irs-tege/ncrebs_2009_allocations_v1.1.pdf

Public Power Utilities (\$800mm)	Cooperative Electricity Companies (\$609mm)		Government Body (\$800 million)	
California Colorado Illinois Iowa Massachusetts Washington	Alaska Arizona Florida Georgia Idaho Illinois Indiana Kentucky Massachusetts	Michigan New York Ohio Oregon Pennsylvania Texas Virginia West Virginia	Arizona California Delaware Illinois Indiana Iowa Massachusetts Minnesota Missouri	New Jersey New York Nevada Oregon South Carolina Vermont Washington Wisconsin

Total Allocated: \$2.209 billion



Expiration of New CREBs Volume Allocation

- New CREB allocation expires 3 years after the allocation date (October 27, 2012 for most issuers)
- Unused volume cap reverts to the IRS on October 30, 2012
 - The IRS will reallocate any unallocated bonds or relinquished volume cap
- If an Issuer knows that it will not use its allocated volume cap within 3 years it should send the IRS a letter within 90 days of the allocation date in order to facilitate reallocation.
- If an issuer failed to use its volume cap by October 27, 2012, it must notify the IRS within 90 days.
 - The notification must include a copy of the original allocation letter ; and
 - A hard copy and electronic version (on compact disk (CD)) of the notification must be sent by mail to the IRS,TEB CREBs Forfeiture, 1122 Town & Country Commons, St. Louis, Missouri 63017



Bond Mechanics and Other Considerations



QECB and New CREB Bond Mechanics

- **IRS NOTICE 2010-35 addresses the new federal refundable tax credit subsidy option under Section 301 of the 2010 HIRE Act**
 - This changes QECBs and New CREBs from tax credit bonds to direct subsidy bonds

Bond Feature	Description (rates as of July 9, 2010)
Term Limit*	▪ Currently 17 years- Set monthly by the U.S. Treasury ▪ Limit is set so that the present value of the principal payments equals 50% of the original principal amount. Discount rate = 110% of the long-term adjusted AFR (Applicable Federal Rate), compounded semi-annually, reset monthly
Structure/Amortization	▪ Bond Structure options: Bullet (all principal due at maturity), serial or terms bond with sinking fund
Coupon Payment/ Tax Credit Rate*	▪ Issuer sells taxable bonds and pays a taxable coupon semi-annually to the investor ▪ Issuer receives from U.S. Treasury the lesser of (i) the taxable rate of the bonds or (ii) 70% of the Tax Credit Rate as of the Bond Sale Date ▪ Tax credit rates are the same for any direct subsidy bond like New CREBs, QECBs, QZABs, QSCBs ▪ 17 year tax credit rate is currently 5.34%
Sinking Funds/ Permitted Yield*	▪ With bullet structures, issuers can make level annual deposits to a sinking fund to smooth debt service payments. ▪ Sinking funds can earn interest subject to arbitrage restrictions. The permitted sinking fund yield is fixed at pricing and limited to 110% of the long-term adjusted AFR, compounded semi-annually, reset monthly. ▪ Permitted yield is currently 4.35%.
Redemption Features	▪ Call features are market driven and subject to negotiations with investor. They are not set by U.S. Treasury ▪ Call options: Make whole (if bonds are a called, the issuer pays the investor a premium so original bond yield is maintained) or 10-year par call (with a higher interest rate on bonds)

* Published daily on <https://www.treasurydirect.gov/GA-SL/SLGS/selectQTCDDate.htm>



QECB and New CREB Bond Mechanics - Example

The diagram below outlines QECBs/New CREBs cash flows as direct subsidy bonds

- i. U.S. Treasury allocates QECBs/New CREB bond volume to a Qualified Issuer

Note: For QECBs, there is an intermediate step in which U.S. Treasury allocates bond volume to States, who in turn allocate this authority to municipalities

- ii. The Qualified Issuer sells taxable QECBs/New CREBs as a 17 year bullet maturity to investors

- iii. Bond proceeds are used to fund a qualified project

- iv. The issuer pays a taxable coupon semi-annually to the investor and repays principal at the end of 17 years

- a. In conjunction, the issuer makes level annual sinking fund payments to fund the principal payment at year 17 (not shown below)
b. Sinking funds are invested at the permitted sinking fund yield established at pricing (not shown below)

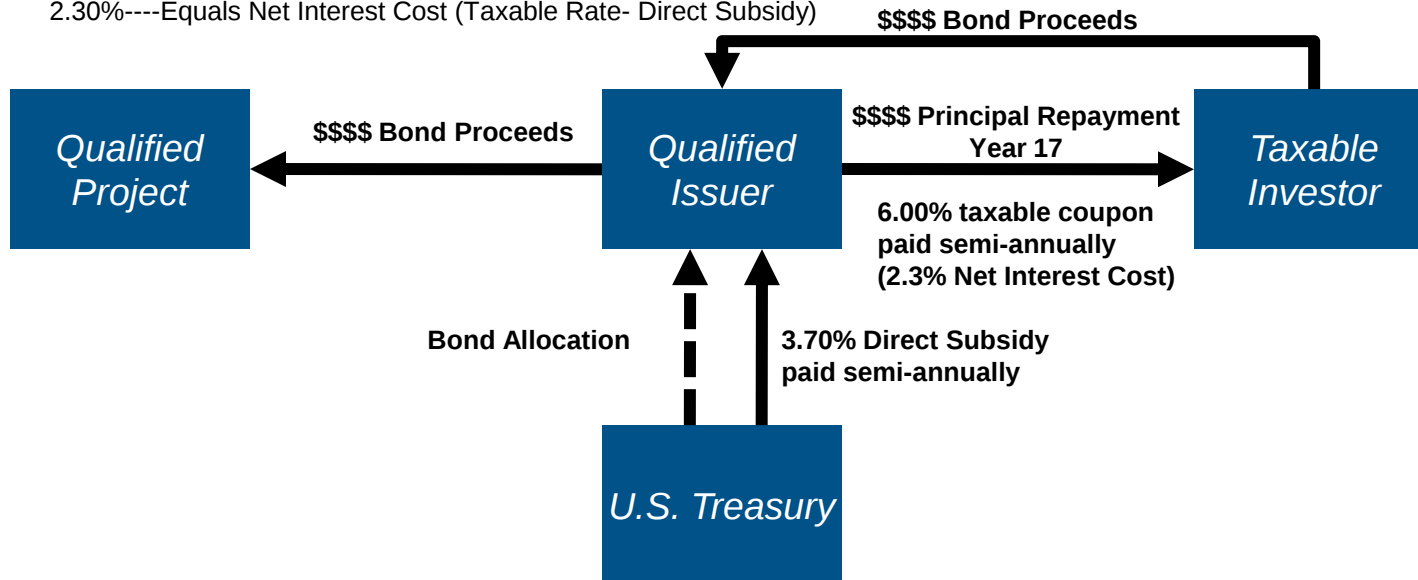
- v. U.S. Treasury pays issuer the lesser of the taxable coupon rate or 70% of the tax credit rate

- vi. Net Interest Cost (example only):

6.00%----Taxable rate

3.70%----Minus Direct Subsidy (5.29% tax credit rate x 70% subsidy)

2.30%----Equals Net Interest Cost (Taxable Rate- Direct Subsidy)





QECB and New CREB Sinking Funds – Example

QECB/New CREBs Hypothetical Bonds Structure

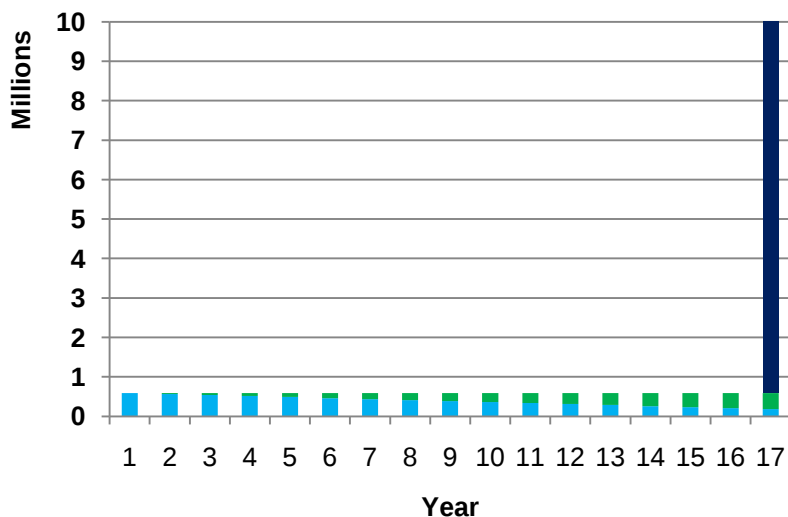
Principal Amount	\$10,000,000
Years to Maturity	17
Level Sinking Fund Payments	\$588,235
Max Sinking Fund Investment Rate	4.30%
Taxable Rate	6.00%
Tax Credit Rate	5.29%
Direct Subsidy (70% Tax Credit Rate)	3.70%
Net Coupon Payment	2.30%

Given the hypothetical bond structure detailed to the left, the graph below details the mechanics of level annual sinking fund payments

- The issuer pays the \$10 million of principal to the investor at the end of 17 years
- To fund this lump sum payment at bond maturity, the issuer makes level annual deposits into a sinking fund
- The level annual deposits consist of principal deposits the issuer funds plus annual interest earnings of 4.30% on these deposits for a total of \$588,235 each year (\$10 million/ 17yrs)
- The annual principal deposit required to reach \$588K annually decreases as cumulative interest earnings increase
- While the maximum permitted sinking fund yield is 4.30%, actual market re-investment rates may be lower
- The sum of all sinking fund deposits (principal + interest) cannot exceed the principal amount of the bonds

Sinking Fund Mechanics

■ Issuer Principal Deposit ■ Interest Earnings ■ Principal Due



Year	Issuer Principal Deposit	Interest Earnings	Level Annual Deposit	Principal Paid to Investor
0	-	-	-	-
1	588,235	-	588,235	-
2	562,941	25,294	588,235	-
3	537,647	50,588	588,235	-
4	512,353	75,882	588,235	-
5	487,059	101,176	588,235	-
6	461,765	126,471	588,235	-
7	436,471	151,765	588,235	-
8	411,176	177,059	588,235	-
9	385,882	202,353	588,235	-
10	360,588	227,647	588,235	-
11	335,294	252,941	588,235	-
12	310,000	278,235	588,235	-
13	284,706	303,529	588,235	-
14	259,412	328,824	588,235	-
15	234,118	354,118	588,235	-
16	208,824	379,412	588,235	-
17	183,529	404,706	588,235	10,000,000
Total	6,560,000	3,440,000	10,000,000	10,000,000



QECB and New CREB Effective Debt Service – Example

QECB/New CREBs Hypothetical Bonds Structure

Principal Amount	\$10,000,000
Years to Maturity	17
Level Sinking Fund Payments	\$588,235 (\$10mm/17yrs)
Max Sinking Fund Investment Rate	4.30%
Taxable Rate	6.00%
Tax Credit Rate	5.29%
Direct Subsidy (70% Tax Credit Rate)	3.70%
Net Coupon Payment	2.30%

- Continuing with the hypothetical bond structure from prior slides, the table to the right details an issuer's effective, or net, debt service costs
 - The effective debt service is net of the direct subsidy the issuer receives from the federal government and interest earnings on the sinking fund
 - Issuer principal deposit consists of the principal deposits made to the sinking fund
 - Effective interest the issuer pays each year is 2.30% on \$10 million par amount, due to the direct subsidy payment from the U.S. Treasury
 - The effective yield in this hypothetical example is 0.57%

Effective Debt Service

(Effective Debt Service Consists of Principal and Interest Payments Net of Direct Interest Subsidy and Principal Sinking Fund Interest Earnings)

					PV @
Year	Date	Issuer Principal Deposit	Net Coupon Payment	Total Effective Debt Service	0.57%
0	5/27/2010	0			
1	5/27/2011	588,235	229,700	817,935	813,272
2	5/27/2012	562,941	229,700	792,641	783,629
3	5/27/2013	537,647	229,700	767,347	754,298
4	5/27/2014	512,353	229,700	742,053	725,275
5	5/27/2015	487,059	229,700	716,759	696,559
6	5/27/2016	461,765	229,700	691,465	668,147
7	5/27/2017	436,471	229,700	666,171	640,036
8	5/27/2018	411,176	229,700	640,876	612,224
9	5/27/2019	385,882	229,700	615,582	584,709
10	5/27/2020	360,588	229,700	590,288	557,487
11	5/27/2021	335,294	229,700	564,994	530,556
12	5/27/2022	310,000	229,700	539,700	503,914
13	5/27/2023	284,706	229,700	514,406	477,559
14	5/27/2024	259,412	229,700	489,112	451,488
15	5/27/2025	234,118	229,700	463,818	425,699
16	5/27/2026	208,824	229,700	438,524	400,189
17	<u>5/27/2027</u>	<u>183,529</u>	<u>229,700</u>	<u>413,229</u>	<u>374,956</u>
Total		6,560,000	3,904,900	10,464,900	10,000,000



QECB and New CREB Other Considerations and Rules

Considerations/Rules	Description
DSRF/Cap I	Debt Service Reserve Funds and Capitalized Interest cannot be funded with QECB/New CREB proceeds
Other Arbitrage Considerations	There is no yield restriction or rebate for bond proceeds during the 3 year expenditure period. Sinking funds are still yield restricted.
Expenditure Requirements	- All bond proceeds generally must be spent within 3 years or used to redeem bonds at the end of that 3 year period. U.S. Treasury has the authority to extend the three-year spending period "for reasonable cause" if the expenditures will continue to proceed "with due diligence." - Issuers must have a binding commitment with a 3rd party to spend at least 10% of the bond proceeds within 6 months of the issuance date
Cost of Issuance	Only 2% of the bond proceeds can be used towards cost of issuance. If issuance costs are higher, the balance of these costs must be funded from other sources
Refunding Issues	Bond proceeds generally cannot be used in refunding issues to refinance eligible expenditures for qualified projects
Davis Bacon	Davis Bacon prevailing wage laws <i>do not</i> apply to issuer employees <i>but do</i> apply to contracted labor
General Compliance Issues	In most cases, rules that apply to tax exempt bonds apply to QECBs/New CREBs (such as the de minimis bond premium rule).
Joint Ownership	Joint ownership of qualified renewable energy facilities financed with New CREBs will be recognized in a manner similar to the recognition of joint ownership of output projects under the private activity bond restrictions on tax-exempt bonds under § 141
Allocation and Accounting	In determining whether all or a part of a facility will be eligible to be a qualified renewable energy facility for New CREBs purposes, allocation and accounting rules similar to those employed for mixed-use projects will be applied.
OID/Accrued Interest	U.S. Treasury does not reimburse issuers for original issue discount or pre-issuance accrued interest
Election to Issue Direct Pay Tax Credit Bonds	Issuers must make the irrevocable election required by 6431 (f)(3)(B) to issue Direct Pay Tax Credit Bonds on its books and records on or before the issue date of the bonds.



Qualified Uses and Post-Bond Issuance Procedures



QECB Qualified Issuer and Qualified Purpose

QECB	Description
Qualified Issuer	▪ States ▪ Local governments ▪ Entities empowered to issue bonds on behalf of States and local governments
Qualified Conservation Purpose	<u>QECBs fund capital expenditures for the following conservation purposes:</u> 1. Reducing energy consumption in publicly-owned buildings by at least 20% 2. Implementing green community programs (including loans grants or other repayment mechanisms) 3. Rural development involving the production of electricity from renewable energy resources 4. Any qualified facility 5. Research facilities, research grants and supporting research in a) Development of cellulosic ethanol or other nonfossil fuels b) Capture and sequestration of carbon dioxide produced by fossil fuels c) Increasing the efficiency of existing technologies for producing nonfossil fuels d) Automobile battery technology or other fossil-fuel reduction technology in transportation e) Technologies to reduce energy use in buildings 6. Mass commuting and related facilities that reduce energy consumption and pollution 7. Demonstration projects designed to promote the commercialization of a) Green building technology b) Conversion of agricultural waste to fuel c) Advanced battery manufacturing technologies d) Technologies to reduce peak use of electricity e) Technologies for the capture and sequestration of carbon dioxide produced from making electricity 8. Public education campaigns to promote energy efficiency
	▪ While qualified conservation purposes only include capital expenditures, there are exceptions for QECBs used to finance green community programs. ▪ If the bonds provide funding for loans, grants or other repayment mechanisms for capital expenditures to issue green community programs, they are not treated as private activity bonds.



New CREB Qualified Issuer and Qualified Purpose

New CREB	Description
Qualified Issuer	<u>Qualified issuer is defined as:</u> ▪ <i>Public power provider:</i> state utility with a service obligation ▪ <i>Cooperative electric company:</i> mutual or cooperative electrical company ▪ <i>Governmental body:</i> any State (including the District of Columbia and any possession of the United States) or Indian tribal government, or any political subdivision thereof. ▪ <i>A clean renewable energy bond lender:</i> a cooperative lender that is owned by, or has outstanding loans to, 100 or more cooperative electric companies and is in existence on February 1, 2002, and shall include any affiliated entity controlled by such lender. ▪ <i>Not-for-profit electric utility that has received a loan or loan guarantee under the Rural Electrification Act</i>
Qualified Renewable Energy Facility	New CREBs fund capital expenditures for a qualified renewable energy facility owned by a qualified issuer: <u>A Qualified Renewable Facility Includes a:</u> 1. Wind facility under § 45(d)(1);; 2. Closed-loop biomass facility under § 45(d)(2);; 3. Open loop biomass facility under § 45(d)(3); 4. Geothermal or solar energy facility under § 45(d)(4); 5. Small irrigation power facility under § 45(d)(5); 6. Landfill gas facility under § 45(d)(6); 7. Trash combustion facility under § 45(d)(7); 8. Qualified hydropower facility under § 45(d)(9); 9. Marine and hydrokinetic renewable energy facility under § 45(d)(11).



QECB and New CREB Bond Issuance Process

General Timeline	The list below represents general procedures and does not describe everything needed to complete a bond issuance
Preliminary Steps	▪ Select a qualified purpose ▪ Issue RFPs and select underwriting and legal team
Stage 1	▪ Kick-off meeting ▪ Disclosure Drafting ▪ Initial Structuring
Stage 2	▪ Finalize Structure ▪ Finalize Preliminary Offering Circular ▪ Rating Process
Stage 3	▪ Mail POS ▪ Pre-Marketing ▪ Price ▪ Sign Verbal and Written Award
Stage 4	▪ Mail Final Offering Circular ▪ Finalize all documents ▪ Close



Permitted Uses of ARRA Funds with QECCBs/New CREBs



Permitted Uses of DOE ARRA Funds with QECCBs/New CREBs

- DOE issued guidance on July 27, 2010, permitting the use of SEP and EECCBG funds to support the issuance of QECCBs/New CREBs
 - Link to Guidance: <http://www1.eere.energy.gov/wip/guidance.html>
 - Guidance covers eligibility, limitations on the use of ARRA funds, obligations, draw downs, and treatment of other Federal requirements
- States/Municipalities can use ARRA funds in support of QECCBs/New CREBs to fund:
 - Debt Service Reserve Fund;
 - Capitalized Interest; or
 - Principal Sinking Fund Payments
- Example, some States/Municipalities plan to structure QECCBs as revenue bonds repayable with energy efficiency savings
 - Since energy efficiency savings occur after the first interest payments are due, ARRA funds may be used to fund initial debt service payments (interest and principal sinking fund deposits)
 - Revenue bonds are typically structured with a Debt Service Reserve Fund (usually equal to Max Annual Debt Service), which under current regulations cannot be funded with QECCB proceeds. ARRA monies may be used to fund the Debt Service Reserve



Appendix – Legislative History



QECB Legislation History and Summary of IRS Notices

Legislation	Description
2008 Energy Improvement and Extension Act	- Authorized the issuance of QECBs and its subsequent revision provided program provisions for QECBs: - Amended the definition of a qualified tax credit bond to include QECBs - Defined the a QECB and qualified purposes - Provided guidance on expenditures of bond proceeds, information report, arbitrage, maturity limitations and prohibitions against financial conflicts of interest - The Act provided for a national bond volume limitation of \$800 million
2009 ARRA	Increased the \$800 million QECB bond volume cap to \$3.2 billion

IRS NOTICE	Description
Notice 2009-29 QECBs	- States the national bond limit cap for QECBs is now \$3.2 billion - Provides bond allocations to States - Defines QECBs, gives their background and defines qualified purposes - Provides guidance on tax credit bond provisions
Notice 2009-33 New CREBs	- States the national bond limit cap for New CREBs is now \$2.4 billion - Solicits New CREB applications and details application process - Defines New CREBs, gives their background and defines qualified purposes - Provides guidance on tax credit bond provisions
NEW CREB Allocations	http://www.irs.gov/pub/irs-tege/ncrebs_2009_allocations_v1.1.pdf
Notice 2010-35	- Authorizes issuers to elect to issue New CREBs and QECBs and direct subsidy bonds instead of tax credit rate bonds - Details direct subsidy bond provisions and rules - Details necessary forms to received interest subsidy and required information reporting



Old CREBs and New CREBs Legislation History

Legislation	Description
2005 Energy Tax Incentives Act <i>(Old CREBs)</i>	- Established bond allocation cap for CREBs of \$800 million - Delegated to the Secretary the authority to allocate the volume cap, with the constraint that no more than \$500 million could go to governmental bodies with the balance to cooperative electric companies. - Deadline for CREB issuance: 12/31/2007.
2006 Tax Relief and Health Care Act <i>(Old CREBs)</i>	- Increased the \$800 million CREB Cap to \$1.2 billion - Extended issuance deadline to 12/31/2008 - Increase max amount going to government bodies from \$500 million to \$750 million with the balance allocated to cooperative electric companies.
2008 Food Act <i>(Old CREBs)</i>	Food, Conservation and Energy Act provides certain general program requirements and operating rules for qualified tax credit bonds
2008 Energy Improvement and Extension Act (Energy Act) and Food Act <i>(Old and New CREBs)</i>	- Energy Act amended the code so New CREBs (issued after 10/3/2008) are qualified tax credit bonds - Added a new national volume cap of \$800 million for New CREBs to finance qualified energy facilities - Extended Old CREB issuance to 12/31/2009 - Amended requirements for CREBs: 100% of available project proceeds need to be used for capital expenditures for 1 or more qualified renewable energy facility - Reduced the amount of annual CREB credit to 70% of the tax credit rate - Provided that not more than 1/3 of the \$800 million cap be allocated to qualified projects owned by each of three types of qualified owners, including public power providers, governmental bodies and cooperative electric companies, respectively - Allowed unrestricted investments of project proceeds during a prescribed 3 year spending period - Allowed investment of sinking funds used to repay CREBs with certain limitations - Permitted credit “stripping” or separation of the ownership of a qualified tax credit bond - Omitted the requirement that the New CREBS be repaid in equal annual installments.
2009 ARRA	Increased the national bond cap for New CREBS by 1.6 billion (total \$2.4 billion for New CREBs, no more OLD CREBs)
2010 HIRE ACT	Changed New CREBs from a tax credit bond to a direct subsidy bond