

**Internal Revenue Service**

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Department of the Treasury  
Washington, DC 20224

Third Party Communication: None  
Date of Communication: Not Applicable

Person To Contact:  
, ID No.

Telephone Number:

Refer Reply To:  
CC:TEGE:EOEG:TEB  
PRES-144236-06

Date: November 13, 2006

Dear \_\_\_\_\_ :

This letter is in response to your application for an allocation of authority to issue \$ \_\_\_\_\_ in Clean Renewable Energy Bonds (CREBs) under section 54 of the Internal Revenue Code (the "Code").

Section 54(f)(1) of the Code imposes a Limitation of \$800,000,000 on the amount of CREBs which may be issued to finance qualified projects (the "Limitation"). Section 54(f)(2) provides that the Limitation is to be allocated by the Secretary of Treasury in such manner as the Secretary deems appropriate except that no more than \$500,000,000 of the Limitation may be allocated to finance qualified projects of qualified borrowers which are governmental bodies.

Section 6 of Notice 2005-98, 2005-52 I.R.B. 1211, provides that the Limitation will be allocated among qualified projects for which a share of such Limitation has been requested beginning with the project(s) requesting the smallest share (in dollar amount) and continuing with the project(s) requesting the next-smallest share until the total Limitation has been exhausted. However, in the event that \$500,000,000 has been allocated to qualified projects of qualified borrowers that are governmental bodies, the remaining shares of the Limitation will be allocated, under the methodology described in the previous sentence, only to qualified projects of qualified borrowers that are not governmental bodies. For purposes of allocating the Limitation among projects, all qualified projects located at the same site and owned by the same qualified borrower are treated as a single project and each project is treated as requesting a single allocation.

An allocation of shares of the Limitation cannot be made with respect to the projects owned by borrowers listed in Appendix A because the application failed to demonstrate

that one or more of the requirements of Notice 2005-98, Notice 2006-7, or section 54 of the Code have been met.

We appreciate your submission of the application for our consideration and encourage you to continue to pursue your plans for constructing a clean renewable energy project.

This determination is directed only to the applicant named above. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

Sincerely,  
Assistant Chief Counsel, (Exempt  
Organizations/Employment Tax/Government  
Entities)  
(Tax Exempt & Government Entities)

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By: Timothy L. Jones  
Senior Counsel  
Tax-Exempt Bonds Branch

**APPENDIX A**

	<b>Borrower Name</b>	<b>Project Type</b>	<b>Project Location</b>	<b>Amount Requested</b>
1		Solar energy facility		\$
2		Solar energy facility		\$
	<b>TOTAL</b>			\$