



September 15, 2009

The Honorable Mike Thompson
United State House of Representatives
231 Cannon Building
Washington, DC 20510

RE: Tax Exempt Private Activity Bond (PAB) use for renewable energy generation and energy and water efficiency projects.

Dear Representative Thompson:

On behalf of the National Association of Counties (NACo), I thank you for introducing H.R. 3525, a bill that allows the use of tax exempt private activity bonds for renewable energy generation and water/energy efficiencies projects.

Homes and businesses consume more than 70% of the electricity used in the United States. The primary source of this electricity comes from coal and natural gas. If the United States is serious about reducing the use of fossil fuels in order to strengthen our economy, improve national security and reduce greenhouse gas emissions, existing building stock should be retrofitted to increase energy efficiency.

However, many times, the up-front costs associated with energy efficiency upgrades make these improvements too expensive for home and business owners to undertake. There are not adequate funding sources to make these needed improvements. This is where many counties have been stepping up to the plate, supporting home and business owners efforts to install energy/water efficiency or renewable energy generation projects.

But since the bond market has crashed, it has become increasingly difficult for counties to access long term financing sources with rates affordable (and manageable) for local governments. Allowing local governments' access to the tax exempt bond market would resolve this stalemate.

This bill, H.R. 3525, is a win-win for all. Not only would it provide long term benefits to the environment, but it would also be a boon to the economy while helping people save money through lower energy costs.

Thank you so much for your leadership on H.R. 3525. If there is anything we can do to assist you in this effort, please feel free to contact us.

Sincerely,

A handwritten signature in black ink that reads "Larry E. Naake". The signature is written in a cursive, flowing style.

Larry E. Naake
Executive Director