

**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

PRESP-145557-06

Date:

November 13, 2006

Dear :

This letter is in response to your application for an allocation of authority to issue \$  
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 project  
owned by the borrower 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		Trash combustion facility		\$