

Index Number: 54.00-00

November 13, 2006

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 the borrowers listed in Appendix B because such borrowers are governmental bodies and \$500,000,000 has already been allocated to applications requesting a smaller share of the Limitation to finance qualified projects owned by qualified borrowers that are governmental bodies.

An allocation of shares of the Limitation cannot be made with respect to the project owned by the borrower listed in Appendix C 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 clean renewable energy projects.

If you have any questions with respect to this allocation, please contact
or of the Office of Division Counsel/Associate Chief Counsel
Tax-Exempt and Government Entities on (not a toll-free call).

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

For purposes of the renewable electricity production credit under section 45 of the Code, no inference may be drawn from this allocation that any project listed in the appendices attached hereto is a qualified facility or that electricity to be produced at such project(s) is electricity from a qualified energy resource at a qualified facility within the meaning of section 45.

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.

A copy of this letter must be attached to any Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, filed for bonds issued pursuant to this allocation.

The allocation contained in this letter is based upon information and representations submitted by the applicant for the CREB allocation and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the application for an allocation, it is subject to verification on examination.

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

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

APPENDIX A

	Borrower Name	Project Type	Project Location	Amount Allocated
1		Solar energy facility		\$
2		Solar energy facility		\$
3		Solar energy facility		\$
4		Solar energy facility		\$
5		Solar energy facility		\$
6		Solar energy facility		\$
7		Solar energy facility		\$
8		Solar energy facility		\$
9		Solar energy facility		\$
	TOTAL			\$

APPENDIX B

	Borrower Name	Project Type	Project Location	Amount Requested
1		Solar energy facility		\$
2		Solar energy facility		\$
	TOTAL			\$

APPENDIX C

	Borrower Name	Project Type	Project Location	Amount Requested
1		Solar energy facility		\$