



THE LAY OF THE LAND ON INCENTIVES, PROGRAMS AND RESOURCES

by Scott Sklar, President, The Stella Group, Ltd.

There are more federal, state and local government programs supporting clean energy than ever before. The Sklar top '10' list is below (recently passed Emergency Economic Stabilization Act of 2008 (P.L. 110-343))

Federal tax incentives –

Investment tax Credit (ITC) for solar and fuel cells – 30% no commercial cap five year accelerated depreciation - expiration December 2016 Investment Tax Credit IRS Form 3468
Note: no residential cap and \$2,000 solar thermal cap residential small wind turbine systems for systems placed in service from January 1, 2008 to December 31, 2016. The tax credit is for 30% of the cost of the system, up to \$500 for each half kilowatt of capacity with an overall maximum of \$4,000 residential and commercial 30 percent tax creditor an Energy Star geothermal heat pump system, up to a maximum credit of \$2,000.

Production Tax Credit (PTC) - Production Tax Credit IRS Form 8835

Wind, geothermal, and “closed-loop” bioenergy (which is powered by dedicated energy crops) are eligible for the production tax credit (PTC), which provides a 1.9-cent per kilowatt-hour (kWh) benefit for the first ten years of a renewable energy facility's operation – expiration December 31, 2009.

Incremental hydro, geothermal, and bioenergy was extended for two years, until the end of 2010. Also included in the two-year extension of the PTC are hydropower generated with irrigation water, capacity expansion at existing plants, and with generators added to existing dams.

Tax deductions –

Tax deductions for energy-efficient home improvements are re-instated, with a new \$300 tax credit for energy-efficient biomass fuel stoves. Tax credits for builders of new energy-efficient homes are extended through 2009 and increases and extends tax credits for manufacturers of energy-efficient appliances through 2010.

Tax deduction of up to \$1.80 per square foot is available to owners or designers of new or existing commercial buildings that save at least 50% of the heating and cooling energy of a building that meets ASHRAE Standard 90.1-2001. Partial deductions of up to \$.60 per square foot can be taken for measures affecting any one of three building systems: the building envelope, lighting, or heating and cooling systems. Tax deductions are available for systems “placed in

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service" from January 1, 2006 through December 31, 2013. Chart: Energy Star:
http://www.energystar.gov/index.cfm?c=products.pr_tax_credits

Federal IRS Clean Renewable Energy Bonds (CREBs) – under EPACT'05 and EISA'07, these energy bills created a federal bond for clean energy Clean Renewable Energy Bonds – IRS Form 8912 \$800 million/yr Good overview - <http://www.treasurer.ca.gov/caeatfa/crebs.pdf>
State grant programs from USDHS, USDOE and USEPA specifically for energy efficiency and renewable energy – these agencies have yearly solicitations to State governments for projects where clean energy is preferred or allowable – must be proposed by State governments but can have all sorts of partners and collaborators.

Specialized grant programs – Federal agencies such as HUD and USDA among other have specialized programs with formal solicitations, most notably USDA has the Section 9006 and 9008 program for renewable energy grants, as well as the Rural Utility Service (RUS) that aside from give 20 year 3% loans to rural utilities, can provide assistance to all cooperatives (housing, utility, etc), tribes, and municipalities. (<http://www.rurdev.usda.gov/rd/energy/>)

State System Benefit Trust Funds – formed by State Utility Commissions and usually are small wire charges on ratepayer bills. Proceeds are placed in an escrow account for grants to residential, businesses and non-profits. Best website is: <http://www.cleanenergystates.org/links.html>

State Portfolio Standards – A renewable portfolio standard is a state policy that requires electricity providers to obtain a minimum percentage of their power from renewable energy resources by a certain date. Currently there are 24 states plus the District of Columbia that have RPS policies in place. Together these states account for more than half of the electricity sales in the United States. Four other states, Illinois, Missouri, Virginia, and Vermont, have nonbinding goals for adoption of renewable energy instead of an RPS.
http://apps1.eere.energy.gov/states/maps/renewable_portfolio_states.cfm

State Clean Air Funds (SIPs) or Greenhouse Gas Funds (RGGI) – States under the Clean Air Act have State implementation Plans (SIPs) which in many cases offer grants and other incentives to reduced regulated emissions under the Act, which are: sulfur oxides, nitrogen oxide (Nox) and particulates, The Regional Greenhouse Gas Initiative (RGGI) is the first mandatory, market-based effort in the United States to reduce greenhouse gas emissions. www.rggi.org

Local government grant and incentives – Cities such as Austin (TX), Chicago (IL), Gainesville (FL), Los Angeles (CA), Portland (OR), San Francisco (CA) and many, many others offer sales tax waivers, tax credits, and grants.

RECs and Carbon Credits – RECS International is an Association of market players trading in renewable energy certificates throughout Europe. RECS International has some 200 members ...

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www.recs.org/ - many States are facilitating carbon trading or renewable energy certificate training.

Others – Foundations, Utilities, and Court Awards – regional foundations routinely contribute to clean energy projects, some electric utilities offer grants and awards, and state and local courts have directed penalty findings towards clean energy projects

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