




Ballard Spahr
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**RENEWABLE ENERGY FINANCING THROUGH
AMERICAN RECOVERY AND REINVESTMENT
ACT INCENTIVES**

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Outline of Discussion

1. Incentive Categories

- Renewable Energy Specific
- Others

2. Project Characteristics

3. Financing Tools

- Private Ownership
- Public Ownership
- Public-Private Partnerships

INCENTIVE CATEGORIES

- **ARRA Renewable Energy Incentives**
 - Extended PTC, Expanded ITC
 - Created Treasury Grants
 - Created DOE “Rapid Deployment” Loan Guarantees
 - Expanded Public Financing Mechanisms
 - Expanded DOE Grant Programs
- **ARRA Non-Energy Specific Incentives**
 - Accelerated Depreciation
 - Expands Exemption from Alternative Minimum Tax for Tax-Exempt Private Activity Bonds
 - New Market Tax Credits

PROJECT CHARACTERISTICS

- **Questions to Ask:**
 - Technology?
 - Size/scale?
 - Developer/owner tax liability?
 - Public and/or private financing available?
 - Power purchaser?
 - Site location?

FINANCING TOOLS

ARRA Financing Tools for Private Owners:

- Renewable Energy Tax Credits/Treasury Grants
- Non-Energy Specific Tax Provisions
- DOE Grant Programs
- State-Specific Incentives

FINANCING TOOLS

Public Partner Financing Tools from ARRA:

- **New Clean Renewable Energy Bonds (CREBs)**
 - Tax credit bonds issued by state/local governments, municipal utilities, and electric cooperatives
 - Proceeds used for capital expenditures by issuers on qualified renewable energy facilities
 - Issuer owns the renewable energy facility
- **Qualified Energy Conservation Bonds (QECBs)**
 - Tax credit bonds issued only by state/local governments
 - Proceeds used for “qualified energy conservation purposes”
 - Can be used to fund private ownership

FINANCING OPTIONS

Creative Financing Combinations:

- Municipal utility prepay energy contracts
- Low-income housing tax credits
- New Market Tax Credits for economic development
- QECBs combined with others

FINANCING OPTIONS

1. **Salt Lake County, UT** – County leases public property for solar panels and purchases output
2. **Delaware Sustainable Energy Utility** – state-created nonprofit utility with the sole mission of promoting efficiency and renewable energy
3. **Berkeley, CA & Boulder, CO** – financing residential solar through property tax assessment
4. **Sacramento, CA & St. George, Utah municipal utilities** – municipal utility community solar farms
5. **New Jersey PSE&G** – solar loan program repayable with solar-specific RECs

QUESTIONS?

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