

## Financial Incentives for Energy Efficiency and Renewable Energy: Business Sector<sup>1</sup>

Updated 11-15-07

<i>Type/Name</i>	<i>Technologies</i>	<i>Amount / Maximum / Notes</i>	<i>Timing</i>
Federal Grant Program (USDA 9006)	Energy efficiency technologies, solar, wind, biomass, geothermal, hydrogen, fuel cells using renewable fuels	25% of eligible project costs (grants and guaranteed loans together, see below, cannot exceed 50% of eligible project costs). Maximum grant for renewable energy projects is \$500,000; maximum grant for energy efficiency improvements is \$250,000. <a href="http://www.rurdev.usda.gov/rbs/farmbill">http://www.rurdev.usda.gov/rbs/farmbill</a>	Annual application process and competition. FY2007 awards averaged \$53,000 per project in grants and/or loans. Another application process for FY2008 is hopeful.
Federal Guaranteed Loan Program (USDA 9006)	Energy efficiency technologies, solar, wind, biomass, geothermal, hydrogen, fuel cells using renewable fuels	Up to 50% of eligible project costs (grants and guaranteed loans together, see above, cannot exceed 50% of eligible project costs). Maximum loan guarantee is \$10M. <a href="http://www.rurdev.usda.gov/rbs/farmbill">http://www.rurdev.usda.gov/rbs/farmbill</a>	Annual application process and competition. FY2007 awards averaged \$53,000 per project in grants and/or loans. Another application process for FY2008 is hopeful.
Federal Tax Credit	Solar, some geothermal, fuel cells, microturbines	30% of the total costs of solar systems (photovoltaic electricity and hot water), solar hybrid lighting, and fuel cells, and 10% for geothermal electric, direct use geothermal, and microturbines. Excludes geothermal heat pumps. Other restrictions and requirements apply. <a href="http://www.irs.gov/pub/irs-pdf/f3468.pdf">http://www.irs.gov/pub/irs-pdf/f3468.pdf</a>	Valid on systems installed before December 31, 2008
Federal Tax Credit	Wind, biomass, geothermal electric, landfill gas, others	2.0 ¢/kWh for wind, geothermal, closed-loop biomass; 1.0 ¢/kWh for landfill gas and others. Applies to first ten years of operation. <a href="http://www.irs.gov/pub/irs-pdf/f3468.pdf">http://www.irs.gov/pub/irs-pdf/f3468.pdf</a>	Valid on systems installed before December 31, 2008
Federal Tax Deduction	Energy efficiency measures	\$0.30 to \$1.80 per square foot of the building, depending on technology and amount of energy reduction <a href="http://www.eere.energy.gov/buildings/info/tax_incentives.html">www.eere.energy.gov/buildings/info/tax_incentives.html</a>	Valid on systems installed before December 31, 2008
Federal Corporate Depreciation (Modified Accelerated Cost-Recovery System)	Solar, wind, geothermal, fuel cells, microturbines, and solar hybrid lighting	Investments can be depreciated over five years. <a href="http://www.dsireusa.org">http://www.dsireusa.org</a> ; see Federal incentives section.	
State Property Tax Exemption	Wind, solar thermal electric, photovoltaic, biomass, hydropower, geothermal, landfill gas	100% of investment is exempted from property taxes in Kansas. Does not apply to solar hot water. Kansas Statute KSA 79-102(11)	

<sup>1</sup> Best website for federal and state incentives on Energy Efficiency and Renewable Energy: [www.dsireusa.org](http://www.dsireusa.org)