



## Wind Industry Welcomes Guidance on Grant Program for Renewables Projects

AWEA welcomed this week's announcement from the Obama Administration that it will soon begin accepting applications for the renewable energy grants enacted by Congress in the economic recovery package earlier this year.

The U.S. Treasury Department and U.S. Department of Energy released the long-awaited guidance for how wind farm developers can access cash grants in lieu of the investment tax credit. The grants, which were part of the American Reinvestment and Recovery Act (ARRA, also known as the stimulus bill), are expected to help get wind projects built while capital markets remain difficult.

"The U.S. wind energy industry is very pleased that the Treasury guidance for renewable energy grants is out, and is grateful to the Administration for making these available," said AWEA CEO Denise Bode. "Companies in our industry are anxious to ramp up investments all across America.

"As with all industry, the economic conditions of the past eight or nine months have held us back. We believe these grants will help get our companies back on track, create more jobs, and balance our electricity portfolio with clean, renewable energy. The implementation of this program for renewable energy will be a welcome boost, just when we all need it."

The grants are designed to temporarily replace the production tax credit (PTC) that has been a major factor in the continued growth in wind and other renewable energy projects. The recession and the freeze in the credit markets that began late last year rendered the PTC much less useful as an investment incentive.

To be eligible, a wind project must be placed in service either between January 1, 2009 and December 31, 2010 (regardless of when construction begins) or after 2010 but before the credit termination date (for large wind, January 1, 2013; for small wind, January 1, 2017) if construction of the property begins between January 1, 2009, and December 31, 2010.

The issuance provides guidance on how the grant process will work. The guidance largely incorporates the recommendations made by renewables advocates, wind industry members said.

As for specifics, in a phone briefing following the release of the guidance, John Parcell, acting deputy tax legislative counsel at the Treasury Department, indicated Treasury will begin accepting applications on or about August 1. He also indicated that a 60-day clock for the

federal department to pay the grants would begin the day it receives the application via an online portal.

On the phone briefing Treasury also confirmed, contrary to some circulating rumors, that it is progressing on its guidance for the renewables manufacturing tax credit and that it still expects to meet its deadline in August for their release.

Applications will be filed online by going to [www.treasury.gov/recovery](http://www.treasury.gov/recovery). Other important information on the guidance, including the application, can be found at the following links:

[www.treas.gov/recovery/docs/guidance.pdf](http://www.treas.gov/recovery/docs/guidance.pdf)

[www.treas.gov/recovery/docs/energy-terms-and-conditions.pdf](http://www.treas.gov/recovery/docs/energy-terms-and-conditions.pdf)

[www.treas.gov/recovery/docs/application.pdf](http://www.treas.gov/recovery/docs/application.pdf)

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