



Program Announcement

August 27, 2010

Clean Energy Development Board Establishes Rules for the Second Round of the Business Solar Tax Credit Certification Program

The Clean Energy Development Board (CEDB) will reopen applications for the Vermont Business Solar Tax Credit certification program for solar thermal and photovoltaic projects of 150kW or less; the law does not allow any more applications for projects over 150kW. Applications will be accepted up to December 15, 2010; however, there is an advantage to applying by October 15 as described below.

On October 16th the CEDB will award \$500,000 of additional reservations for tax credit certifications to solar thermal and photovoltaic projects of 150kW or less. All applications received by October 15, 2010, specifically including those which have already been submitted, will be treated as a single queue and awarded reservations as described below. If you have already submitted an application for your project, there is no need to apply again.

The reservations for the solar tax credits will be awarded based on the following ranking criteria:

- 1st Priority: Solar thermal projects.
- 2nd Priority: Commissioned projects, by the date of commissioning, if commissioned before July 16, 2010.
- 3rd Priority: Photovoltaic projects, by the date a complete application for a Certificate of Public Good (CPG) was filed with the Vermont Public Service Board.
- 4th Priority: Photovoltaic projects, by the date and time a complete application for the business Solar Tax Credit was filed with the Vermont Clean Energy Development Board.

Furthermore, the CEDB established the following eligibility rules and conditions for the Solar Tax Credit Certification Program's second round:

- 1) The Solar Tax Credit certification reservations shall only be awarded to applications that provided a valid Vermont taxpayer identification number to the CEDB.

- 2) Only solar thermal projects and photovoltaic projects of no more than 150 kW (AC) capacity are eligible for this second round.
- 3) Projects for which the total cost listed on the tax credit application exceeds \$8,500 per kW of capacity (AC rating) will not be awarded a certification reservation, unless the CEDB finds that the applicant has justified the proposed project costs to the CEDB's satisfaction.
- 4) The first \$500,000 of eligible projects in the queue will be granted reservations for certification. Remaining projects in the queue may later be considered for tax credit reservations if additional funds become availableⁱ. Solar Tax Credit certification reservations will be converted into certifications only once the applicant has received a CPG from the Vermont Public Service Board, if a CPG is required. If no CPG is required, the certification would be awarded once the project has been commissioned.
- 5) If the CEDF funds do not allow for a project to receive a reservation for its full estimated tax credit amount, then that project will be awarded a reservation for a tax credit for a portion of the proposed project (based on the project's \$/kW costs listed in the projects tax credit application). The remaining kW of a project will be placed back into the queue and would be funded first, if additional funds are provided for the Solar Tax Credit Certification Program.
- 6) Applicants that do not receive reservations for solar tax credit certifications may be eligible for the Vermont Investment Tax Creditⁱⁱ and, they may also apply for incentive payments for their projects through the CEDB, administered Vermont Small-Scale Renewable Incentive Program. Applications will be deemed ineligible for the Solar Tax Credit if they receive a reservation for the Vermont Small-Scale Renewable Incentive Program.

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ⁱ This queue establishes a priority ranking of remaining solar tax credit reservation applications the CEDB will use to allocate additional unrestricted funds made available to the CEDF for this purpose.

ⁱⁱ The CEDF has been advised by the Department of Taxes and that projects that do not obtain the Vermont business solar tax credit certification may be eligible for Vermont investment tax credit (ITC), which is 24% of the federal ITC (equal to 7.2% of project costs).