



**UNITED STATES CLEAN  
HEAT & POWER ASSOCIATION**

# **Funding Opportunities for CHP – American Recovery and Reinvestment Act of 2009**

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# American Recovery and Reinvestment Act

- Public Law (P.L.) 111-5
- Full text & conference report:  
<http://thomas.loc.gov>



# Grants, Loans, and Bonds

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## Energy Department Funding

- **\$16.8 billion for Energy Efficiency and Renewable Energy**
- **\$2.5 Billion in research and development funding**
  - \$800 million for biomass
  - \$1.3 billion for “other” energy efficiency projects
- **\$3.2 Billion for Energy Efficiency and Conservation Block Grants**
- **\$3.1 billion for State Energy Programs**
- **\$4.5 billion for Electric Delivery & Energy Reliability for smart grid**



# Grants, Loans, and Bonds (cont.)

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## Renewable Energy System Loan Program

- Direct loan through the Federal Financing Bank or government backed loan guarantee with private lender.
- 3 percent over 30 years for 80 percent of the project's construction costs
- Begin construction by September 30, 2011
- Loan authority of \$60 billion; \$6 billion for upfront costs/credit cost subsidy
- Renewable energy systems – biomass-fired CHP, not specifically waste energy recovery, not fossil-fuel fired
- Program operational by July 1, 2009



# Grants, Loans, and Bonds (cont.)

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## Renewable Energy for Water Treatment Plants

- \$2 billion grants to EPA's Drinking Water State Revolving Fund
- 20% for green infrastructure and/or energy efficiency projects

## Clean Renewable Energy Bonds (CREBs)

\$1.6 billion for local governments and municipalities to finance facilities that generate electricity from renewable energy sources including wind, closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, marine renewable, and trash combustion facilities

## Qualified Energy Conservation Bonds

\$2.4 billion in bonds to finance State, municipal and tribal government programs to reduce greenhouse gas emissions



# Energy Efficiency for Government Agencies

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- **Interior Department**
  - \$135 Million (BLM)
  
- **Department of Defense**
  - \$300 million for the purpose of research, testing and evaluation of projects to energy generation, transmission and efficiency
  - \$100 million for Navy and Marine Corps facilities to fund energy efficiency and alternative energy projects
  
- **General Services Administration**
  - \$5.5 billion to Federal Buildings Fund for expenditures to construct, repair and make alterations on federal buildings to increase energy efficiency
    - \$4.5 billion to convert GSA facilities to high-performance green buildings
    - \$1 billion for non-recurring maintenance on Veterans Affairs facilities, including energy projects



# Tax Incentives

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## “Refundability” for 10% CHP ITC

- Grant program through Department of Treasury
- Eligible CHP projects to begin construction during 2009/2010 to be completed by 2013
- Grant applications will be processed by Treasury within 60 days

## Bonus Depreciation

- Extends five year bonus depreciation through 2010 and includes CHP
- 50 percent of the depreciation value to be taken in the first year



# Tax Incentives

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## Manufacturing Investment Credit

- \$2 billion to fund 30% ITC for facilities that manufacture advanced energy property
- Projects to be certified by Treasury, in consultation with Energy, through competitive bidding

## Extension of Production Tax Credits

Extends through 2013 the production tax credits for biomass, geothermal, hydropower, landfill gas, waste-to-energy, and marine facilities

## Expansion of Investment Tax Credits

Allows developers of biomass, etc. to claim 30% ITC, previously available only for solar and qualified fuel cell projects, instead of the production tax credit



# Upcoming Legislation

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## Tax Parity

- 30% for CHP ITC
- Eliminate caps

## RPS/EERS

- Aggressive EERS - greater than 5% net efficiency
- Strong CHP, waste energy recovery provisions

## Appropriations

Increased funding for EPA & DOE CHP programs



# Questions?

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