



**UNITED STATES CLEAN
HEAT & POWER ASSOCIATION**

ARRA: In Plain Language, What's In It For Cogen?

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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

Energy Department Funding

\$16.8 billion for Energy Efficiency and Renewable Energy

- **\$800 Million for biomass**
- **\$1.3 Billion for energy efficiency projects, including CHP**



Grants, Loans, and Bonds

NOI for \$156M for CHP, Waste Energy Recovery, District Energy and efficient industrial systems

- **CHP & district energy**
 - **minimum efficiency of 60%**
 - **25% efficiency increase over system replaced**
- **Waste energy recovery**
 - **30% overall efficiency**
 - **25% efficiency increase over system replaced**
- **Efficient industrial equipment**
 - **25% efficiency improvement**
 - **sized over \$5M for government cost share**



How Do You Get It???

- **Implementation within 120 days**
 - evidence of mature design
 - site agreements
 - site licensing and permitting
 - environmental certifications
 - partner commitments
 - supplier commitments
 - equipment availability
- **Register with Grants.gov (<http://www.grants.gov/GetStarted>)**
- **Dun and Bradstreet Data Universal Numbering System (DUNS)**
- **Register with the Central Contractor Registry (CCR)**
- **Register with the credential provider**



Grants, Loans, and Bonds

Energy Department Funding (continued)

- **\$4.5 Billion for Electric Delivery & Energy Reliability for smart grid**
- **\$3.2 Billion for Energy Efficiency and Conservation Block Grants**
 - **CHP, district heating and cooling systems**
 - **Cities and counties - \$1.9 Billion**
 - **States and territories - \$770 Million**
- **\$3.1 Billion for State Energy Programs**



Grants, Loans, and Bonds (cont.)

Clean Renewable Energy Bonds (CREBs) - \$1.6 Billion

- biomass CHP
- landfill gas
- waste to energy

Qualified Energy Conservation Bonds - \$2.4 Billion

Renewable Energy for Water Treatment Plants (EPA) - \$2 Billion



Energy Efficiency for Government Agencies

- Department of Defense - \$400 Million
- General Services Administration - \$5.5 Billion
- Department of Education – \$2.2 Billion



Grants, Loans, and Bonds (cont.)

Renewable Energy System Loan Program

- Direct loan through the Federal Financing Bank or government backed loan guarantee with private lender
- Loan authority of \$60 billion; \$6 billion for upfront costs
- 3 %, 30 years, 80 % of construction costs
- Begin construction by September 30, 2011
- Biomass-fired CHP, no waste energy recovery, no fossil-fuel fired
- Program operational by July 1, 2009



Tax Incentives

“Refundability” for 10% CHP ITC

- Current ITC is 10% for first 15MW up to 50MW
- Grant program through Department of Treasury
- Eligible CHP projects begin construction during 2009/2010, 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

Manufacturing Investment Credit

- \$2 billion to fund 30% ITC for facilities that manufacture advanced energy property
- Projects certified by Treasury/Energy through competitive bids

Extension of Production Tax Credits

Extends through 2013 the PTCs 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 PTC



Stay on top of the funding

- Register with www.grants.gov and/or www.fedconnect.gov
- Register with state and local governments where possible
- Consult a tax attorney and have your customers consult one too!
- Join the Midwest Cogen Association!
- Join USCHPA!



Questions?

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