

# The Alternative Energy Investment Act of 2008

## Special Session House Bill 1





## Overview

- Enacted July 9, 2008
- Provides \$650 Million in Funding and Tax Credits for Alternative Energy and Conservation
- Creates Two Funding Streams:
  - \$500 million in bond funding
  - \$20 million in annual funding and tax credits over 7 years and \$10 million in the 8<sup>th</sup> year



## **\$650 Million in Funding Programs Administered Through:**

- Commonwealth Financing Authority
- Department of Environmental Protection
- Ben Franklin Partners
- Pennsylvania Housing Finance Agency
- Department of Public Welfare
- Department of Revenue

## Programs for Consumers and Small Businesses

- **\$100 Million for Solar Energy**
  - May be loans, grants or rebates
  - Up to 35% of project costs
  - Administered by DEP
- **\$92.5 Million for Consumer Energy Conservation Projects**
  - May be loans, grants or rebates
  - Up to 25% of project costs
  - Administered by DEP
- **\$25 Million for High Performance Buildings**
  - May be loans or grants
  - Standards by DGS in consultation with DEP
  - Administered by CFA



# Commonwealth Financing Authority

- **\$165 Million for the following:**
  - Loans to businesses or non-profit economic development organizations for clean energy projects
  - Loans or grants to political subdivisions for clean energy projects
  - Loans and grants to businesses or nonprofit economic development organizations for alternative energy production projects
  - Loans and grants to businesses, nonprofit economic development organizations or political subdivisions for site preparation
  - Solar projects are not eligible



# Commonwealth Financing Authority

- **\$80 Million for Solar Energy Projects**
  - May be loans or grants
  - Can include incentives for manufacturers
- **\$25 Million for Geothermal and Wind**
  - May be loans or grants
  - Businesses and others



## Other Programs

- **\$40 Million to the Ben Franklin Partners to Support Early-Stage Activities**
- **\$10 Million Annually over 4 Years to DPW to Supplement LIHEAP**
- **\$5 Million to PHFA for Home Efficiency Loan Fund for Income-Eligible Households**



## Other Programs

- **\$25 Million for Pollution Control Equipment**
  - For coal-fired power plants with less than 500 MW capacity
  - Administered by DEP
- **\$2.5 Million for Data Center Consolidation Projects for Individuals and Small Businesses**

# Alternative Energy Production Tax Credits

- **Up to 15% of Total Costs of Development, Equipment and Construction, up to \$1 Million/Year/Taxpayer**
- **Taxpayer Includes a Person or Entity Subject to:**
  - Personal income tax
  - Corporate net income tax
  - Capital stock and franchise tax
- **Total Credits Limited to:**
  - \$5 million for each of first 4 years
  - \$8 million in 5th year
  - \$10 million in 6th and 7th years
  - \$2 million the 8th year

## For More Information

- For Information About the Alternative Energy Investment Act, Visit the DEP Website at [www.depweb.state.pa.us](http://www.depweb.state.pa.us) and Select “Energy Independence”
- For Information on the Alternative Fuels Investment Act, Visit DEP Website at [www.depweb.state.pa.us](http://www.depweb.state.pa.us) and Enter Keyword “Alternative Fuels”
- Or Call DEP’s Office of Energy and Technology Deployment at (717) 783-8411