

August 21, 2009

Member Alert: Update on Section 1603 Cash Grants for Renewable Energy Project Funding

The Department of Energy has notified ACORE to encourage Members to apply now for 1603 cash grants in lieu of tax credits

U.S. Department of the Treasury and the U.S. Department of Energy announced at the end of July that they would be accepting applications for a program that will make direct payments in lieu of tax credits to companies that create and place in service renewable energy facilities. The two Departments estimated distributing at least \$3 billion in financial support to approximately 5,000 bio-mass, solar, wind, and other types of renewable energy production facilities. The funding for this effort is made available through the American Recovery and Reinvestment Act.

The DOE estimates the \$3 billion in grants could enable between \$10-14 billion of capital investment in projects that would not be able to be financed without this program -- projects that are ready to be built but are waiting to close financing and start construction.

Tax credits for renewable energy projects can be turned into upfront capital, enabling companies and firms to secure financing and begin construction.

There is no cap on the program funding and as long as applications are submitted by the statutory deadline of October 1, 2011 they will be considered. Early applicants whose applications are accepted will be included in a forthcoming announcement from the DOE when the program reaches \$1 billion in approved applications on/about the end of August. For the 1603 Grant terms & conditions, guidance, and a sample application, visit: www.treas.gov/recovery/1603.shtml
<<http://info.acore.org/g/?A0FBGRP1ZB:AYRB6LPD34=ssID:494333594>

Read the US Treasury's Press Release: TREASURY, ENERGY NOW ACCEPTING APPLICATIONS FOR FUNDING FOR RENEWABLE ENERGY PROJECTS
<<http://info.acore.org/g/?A0FBGRP1ZB:J1EJYJVUVY=ssID:494333594>; Direct Cash Payments Will Advance Economic Development, Expand Renewable Energy Use

If you have any specific questions about the 1603 grant applications, we recommend that you work with a law firm or financial consultant. But if you have any general questions, please contact Jeremy Shays, Policy Associate at ACORE shays@acore.org <<mailto:shays@acore.org>> .