

American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act (ARRA) of 2009 was recently enacted and it features several provisions that significantly enhance the economics of small wind turbine system projects. We are writing to ensure you are aware of these new federal incentives. There has never been a better time to secure a hedge against rising electricity rates and generate your own renewable energy through the purchase of a wind turbine system.

One of the key features of the ARRA is the Section 48 Investment Tax Credit (ITC). This is a dollar for dollar reduction in your federal tax liability equal to 30% of the total cost of the project (purchase plus installation). This means that Wind Systems customers could be eligible for a large tax credit for installing a single wind turbine.

Customers who begin construction of a small wind project in years 2009 and 2010 may further elect to receive a grant from the U.S. Treasury in lieu of the ITC. The grant would be in the amount of the credit if it were claimed. In this way, customers without a large tax liability can utilize the full value of the ITC.

Unfortunately, the ITC can only be claimed by tax paying entities, therefore our public sector customers are not eligible. There are however several federally subsidized financing programs either created or funded under the ARRA that could prove helpful to public entities. Further, individual states may direct a portion of their ARRA funds to programs supporting small wind projects for public entities. Check with your state's energy office for more information.