SEDAC NEWS

TAX TIME IS NIGH – TIME FOR AN EPACT 2005 UPDATE

The Energy Policy Act of 2005 (EPAct 2005) was the first effort of the U.S. government to address energy policy since the Energy Policy Act of 1992. It was an omnibus bill over 1,700 pages long addressing a vast array of energy issues. Tax incentives to businesses are found in Title XIII, Subtitle C, beginning on page 1332 through page 1390 of the act.

Who Qualifies: “Energy-efficient property” is defined to be commercial building property that is certified to reduce combined annual energy and power costs of qualifying systems to at least 50% less than a building satisfying the ASHRAE 90.1-2001 Standard.

Deductions: The Secretary of the Treasury has developed energy-savings targets for the whole building or each type of system covered (interior lighting, HVAC/hot water, building envelope). Meeting any of the sub-system targets is another route building owners can take to demonstrate qualification for a deduction. If the whole building does not qualify for the $1.80 tax deduction and one of the qualifying systems meets its designated cost savings target, then the property will be eligible for a partial tax deduction. This deduction per system is the lesser of $0.60/sf or the costs incurred for the energy-efficient system.

How to Claim the Deduction: A list of qualified software is maintained at: http://www.eere.energy.gov/buildings/info/qualified_software/

Presently the list consists of: Trace 700, EnergyPlus, Hourly Analysis Program, VisualDOE.

Corporations claim on Form 1120 Line 22 “Other Deductions”

Sole Proprietors claim on Schedule C, Lines 48 and 27 “Other Expenses”.

The certification does not need to be filed, but must be maintained with the tax payer’s records. Sources:

www.nema.org
www.efficientbuildings.org
www.irs.gov
www.energycodes.org
www.mwalliance.org

GREEN ROOFS

A vegetated roof has many benefits including extension of the roof life by protecting the roof membrane, reduced heating and cooling requirements for the building, reduced heat island effect, improved air quality, reduced storm water run off, and recreational and educational opportunities.

Although first costs are considerably more for green roofs, life cycle costs can be comparable, along with unquantifiable benefits such as air and climate improvements, as well as recreational and educational benefits, can justify the investment.

The City of Chicago provided grants in 2005 and 2006 of up to $5,000 for green roof projects. They are awaiting funding for a similar program this year. The city suggests checking the website in April or May for an announcement.
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See http://cityofchicago.org/environment or call 312/744-7606 for additional information. The City also maintains a website on green roofs including technical information, service providers, and permit requirements at http://www.artic.edu/webspaces/greeninitiatives/greenroofs

The Chicago Center for Green Technology (445 N. Sacramento Blvd. Chicago, IL 60612 312/746-9642) has a resource reference room and offers free seminars on assorted environmental topics. In addition to CCGT having a green roof, they have information on other green roof sites in Chicago.

The U.S. Environmental Protection Agency maintains a very useful site at http://www.epa.gov/heatisland/strategies/greenroofs.html

The Illinois Clean Energy Community Foundation (2 N. LaSalle St., Ste. 950, Chicago, IL 60602, 312/372-5191, emiller@illinoiscleanenergy.org) provides grants of varying amounts to educational institutions serving Illinois. Information can be found at http://www.illinoiscleanenergy.org

NEW GUIDELINES FOR STATE FUNDED RENEWABLE ENERGY REBATES AND GRANTS
(through April 30, 2007)

DCEO announces guidelines for the Fiscal Year 2007 Solar Energy Rebate Program, Solar Thermal Grant Program, Small Wind Grant Program and Biogas and Biomass to Energy Grant Program. Applications are being accepted through April 30, 2007.

Under the Solar Energy Rebate Program the Department may provide a rebate award for up to 30% of eligible project costs, with a maximum award of $10,000. Both photovoltaic and solar thermal systems are eligible for funding, however, total project costs must not exceed $50,000. The Department also supports larger solar thermal installations through the Solar Thermal Grant Program. This grant program may provide funding for up to 30% of eligible project costs, with a maximum award of $400,000.

The Small Wind Grant Program may provide up to, but not more than, a grant award equal to 50% of eligible project costs for a small wind energy conversion system, with a maximum grant award of $25,000. Please refer to the program guidelines for information regarding eligibility.

Under The Biogas and Biomass to Energy Grant Program the Department may provide funding for projects designed to use biogas or biomass as a source of fuel to produce electricity or heat through gasification and/or co-firing technologies with combined heat and power (CHP). The program may provide up to of $2,500 for a project feasibility study, up to $225,000 for a biogas to energy system and up to $500,000 for a biomass to energy system. A minimum applicant investment is 50% is required for program eligibility. For more information on Illinois RERP, please contact: William S. Haas 312/814-4763 william.haas@illinois.gov

USDA CLEAN ENERGY GRANT & LOAN GUARANTEE WORKSHOP
(deadline May 18 for grants; July 2 for loans)
Illinois Farm Bureau, Bloomington, Mon, April 2, 9 am to 2 pm
Learn about funding under Section 9006, the USDA Renewable Energy and Energy Efficiency grant and loan guarantee program - www.farmenergy.org