

SOLAR HOT WATER ELECTRICITY TAX INCENTIVE, REBATE & NET METERING

October, 2008

STATE TAX INCENTIVES

RESIDENTIAL ENERGY SYSTEMS

- Individuals or businesses may claim a tax credit equal to 25% of the costs (not to exceed \$2,000) of a residential energy system, including installation costs.
- Homes, condominiums, apartments are eligible, but motorized dwellings, such as motor homes, are not eligible.
- Tax credit is for the taxable year in which the qualifying residential energy system is completed and placed in service.

COMMERCIAL ENERGY SYSTEMS

- For solar & wind a business entity is entitled to a tax credit equal to 10% of the costs (not to exceed \$50,000) of any commercial energy system installed, including installation costs.
- Credit goes against any income tax due for the taxable year in which the system is completed and placed in service.

FEDERAL TAX INCENTIVES

RESIDENTIAL SOLAR TAX CREDIT

- 30% of the costs for residential solar system.
- **Eligible Technologies:** Solar Hot Water, PV, Fuel Cells

BUSINESS ENERGY TAX CREDIT

- 30% of the costs for a commercial/industrial solar
- **Eligible Technologies:** Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, PV (SOLAR ELECTRICITY)

NET METERING

- Investor-owned electric utilities and rural electric cooperatives in Utah are required to allow customers to connect renewable energy systems to the grid for their own use and to supply excess electricity to the electric grid.
- The utility will "net" the customer's electricity use and production over the monthly billing period.

- If net metering results in excess customer-generated electricity over the billing period, the utility will credit the customer for the electricity for *at least* the avoided cost rate – i.e., the cost the utility would otherwise incur to generate power if it did not purchase electricity from another source.
- The customer may use the credit to offset purchases of electricity during future billing periods in the same year. Any unused credits expire at the end of the calendar year.

UTAH SALES AND USE TAX EXEMPTION

- The purchase or lease of equipment used to generate electricity from renewable resources is exempt from the Utah sales tax.

ROCKY MOUNTAIN POWER REBATE PROGRAM (SOLAR ELECTRICITY ONLY)

- RMP begins accepting applications January 5, 2009. The program runs through January 31, 2010 or until incentive funds last. Incentive funds are based on the number of kilowatts (kW) allotted for the year. This number is TBD.

QUESTAR (SOLAR HOT WATER ONLY)

- Solar-Assisted Hot Water Heating that are active and Certified OG-100 by SRCC are eligible for a \$750 incentive