

**Treasury, Energy Departments Announce More than \$3 Billion  
in Recovery Act Funds for Renewable Energy Projects  
Conference Call Highlights  
July 9, 2009**

The Treasury and Energy Departments today reviewed the details of a Recovery Act program that makes direct payments to companies that create and place in service renewable energy facilities beginning January 2009. Previously, these companies could file for a tax credit to cover a portion of the renewable energy project's cost; under the new program, applicants would agree to forgo tax credits down the line in favor of an immediate reimbursement of a portion of the property expense.

The program is for renewable energy projects that are under construction or that will soon be built. Specifically, Section 1603 of the Act's tax title, the American Recovery and Reinvestment Tax Act, appropriates funds for payments to persons who place in service specified energy property during 2009 or 2010 or after 2010 if construction began on the property during 2009 or 2010 and the property is placed in service by a certain date known as the credit termination date.

For property not placed in service in 2009 or 2010 but for which construction began in 2009 or 2010, applications must be submitted after construction commences but before October 1, 2011.

To expedite implementation of the program, Treasury made available the terms and conditions, guidance, and a sample application at <http://www.treas.gov/recovery/1603.shtml> so that companies can prepare successful applications in advance of the launch of the web based application in the coming on or around August 1, 2009. The 20-page guidance document provides an overview of the program explains the application procedures and describes the types of renewable energy facilities that are eligible for the grants.

Federal officials from the Energy and Treasury Departments provided a brief overview of the program and answered questions today during a conference call that lasted about 35 minutes.

DOE/Matt Rogers:

- goal is to move private capital off the side lines quickly, stimulating economic recovery and national environmental futures
- objective is to address financial challenges that started last year & before that effected capital markets
- grants are expected to stimulate 5,000 renewable energy technology generation facilities based on past experience with tax incentives
- \$3Billion in grants is expected to lead to \$10-14 Billion in private investment
- will directly help those projects that are ready but for closing on financing arrangements

- aimed at a range of technologies - including marine & hydrokinetic - and shows Administration's commitment to renewable infrastructure.

Treasury/John Parcell:

- \$3 Billion in grants expected to be issued over next year beginning August 1
- \$3 Billion number is not a cap, just an estimate DOT had to do for budget purposes, based on previous experience with PTC. (Sec 1603 approps language states any amount required to carry out program)
- grants will not be competitively awarded - need to satisfy requirements
- Treasury goal is to get grants issued 60 days after receiving the completed application - must be filed electronically

Questions/Answers Section:

- grants are NOT for new technologies (i.e. new wind turbine) or production methods; there is a separate program in the Recovery Act that provides credits for advanced energy technologies and Treasury will likely issue the guidance for that program in August
- grant payments would be made within 60 days of submitting a completed application
- grants are NOT taxable
- grants are NOT for manufacturing facilities - that's a separate credit under 48C of IRS Code - Advanced Energy Equipment Manufacturing Grant (I think its 30%) - which is expected to be released in August
- grants are NOT for fuels production (biofuels) - that will be a different program
- details on staffing for review process being worked out - expecting NREL staff to provide technical reviews; some financial experts to examine eligible costs; DOE will give recommendations to Treasury which makes final decision & takes action
- grants are NOT for facilities that are built outside the United States
- bottom line is the market will decide the overall size of program and mix of technologies