



Business Energy Tax Credit

Incentive Type: Corporate Tax Credit

Eligible Renewable/Other Technologies: Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Geothermal Electric, Fuel Cells, Solar Hybrid Lighting, Direct Use Geothermal, Microturbines

Applicable Sectors: Commercial, Industrial

Amount: For equipment placed in service from January 1, 2006 until December 31, 2008, the credit is 30% for solar, solar hybrid lighting, and fuel cells, and 10% for microturbines. The geothermal credit remains at 10%.

Maximum Incentive: \$500 per 0.5 kW for fuel cells; \$200 per kW for microturbines; no maximum specified for other technologies

Eligible System Size: Microturbines less than 2 MW; fuel cells at least 0.5 kW

Authority 1: [26 USC § 48](#)

Authority 2: IRS Form 3468

Summary:

The federal Energy Policy Act of 2005 ([H.R. 6](#)) expanded the federal business energy tax credit for solar and geothermal energy property to include fuel cells and microturbines installed in 2006 and 2007, and to hybrid solar lighting systems installed on or after January 1, 2006. These provisions of the tax credit were later extended through December 31, 2008, by Section 207 of the [Tax Relief and Health Care Act of 2006 \(H.R. 6111\)](#). (A 10% federal energy tax credit was available to businesses that invested in or purchased solar or geothermal energy property in the United States prior to January 1, 2006.)

For eligible equipment installed from January 1, 2006, through December 31, 2008, the credit is set at 30% of expenditures for solar technologies, fuel cells and solar hybrid lighting; microturbines are eligible for a 10% credit during this two-year period. For equipment installed on or after January 1, 2009, the tax credit for solar energy property and solar hybrid lighting reverts to 10% and expires for fuel cells and microturbines. The geothermal credit remains unchanged at 10%.

The credit for fuel cells is capped at \$500 per 0.5 kilowatt (kW) of capacity. The maximum microturbine credit is \$200 per kW of capacity. No maximum is specified for the other technologies.

Solar energy property includes equipment that uses solar energy to generate electricity, to heat or cool (or provide hot water for use in) a structure, or to provide solar process heat. Hybrid solar lighting systems are those that use solar energy to illuminate the inside of a structure using fiber-optic distributed sunlight. Geothermal energy property includes equipment used to produce, distribute, or use energy derived from a geothermal deposit. It does **not** include geothermal heat pumps. For electricity produced by geothermal power, equipment qualifies only up to, but not including, the electrical transmission stage. Energy property does not include public utility property, passive solar systems, or pool heating equipment.

To qualify, the original use of the equipment must begin with the taxpayer or it must be constructed by the taxpayer. The equipment must also meet any performance and quality standards in effect at the time the equipment is acquired. The energy property must be operational in the year in which the credit is first taken.

If the project is financed in whole or in part by subsidized energy financing or by tax-exempt private activity bonds, the basis on which the credit is calculated must be reduced. (The formula is described in the tax credit instructions.) Subsidized energy financing means "financing provided under a federal, state, or local program, a principal purpose of which is to provide subsidized financing for projects designed to conserve or produce energy." Therefore, a business must reduce the basis for calculating the credit by the amount of any such incentives received.

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Modified Accelerated Cost-Recovery System (MACRS) + Bonus Depreciation

Incentive Type: Corporate Depreciation

Eligible Renewable/Other Technologies: Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Renewable Transportation Fuels, Geothermal Electric, Fuel Cells, CHP/Cogeneration, Solar Hybrid Lighting, Direct Use Geothermal, Anaerobic Digestion, Microturbines

Applicable Sectors: Commercial, Industrial

Authority 1: 26 USC § 168

Effective Date: 1986

Authority 2: Economic Stimulus Act of 2008

Date Enacted: 2/13/2008

Effective Date: 12/31/2007

Expiration Date: 12/31/2008

Summary:

Under the federal Modified Accelerated Cost-Recovery System (MACRS), businesses may recover investments in certain property through depreciation deductions. The MACRS establishes a set of class lives for various types of property, ranging from three to 50 years, over which the property may be depreciated. For solar, wind and geothermal property placed in service after 1986, the current MACRS property class is five years. For certain biomass property, the MACRS property class life is seven years. Eligible biomass property generally includes assets used in the conversion of biomass to heat or to a solid, liquid or gaseous fuel, and to equipment and structures used to receive, handle, collect and process biomass in a waterwall, combustion system, or refuse-derived fuel system to create hot water, gas, steam and electricity.

The federal Energy Policy Act of 2005 (EPA 2005) classified fuel cells, microturbines and solar hybrid lighting technologies as five-year property as well. The federal Economic Stimulus Act of 2008, enacted in February 2008, included a 50% bonus depreciation provision for eligible renewable-energy systems acquired and placed in service in 2008. To qualify for bonus depreciation, a project must satisfy these criteria:

- the property must have a recovery period of 20 years or less under normal federal tax depreciation rules;
- the original use of the property must commence with the taxpayer claiming the deduction;
- the property generally must be acquired during 2008; and
- the property must be placed in service during 2008 (or, in certain limited cases, in 2009).

If property meets these requirements, the owner is entitled to deduct 50% of the adjusted basis of the property in 2008. The remaining 50% of the adjusted basis of the property is depreciated over the ordinary depreciation schedule. The bonus depreciation rules do not override the depreciation limit applicable to projects qualifying for the federal business energy tax credit. Before calculating depreciation for such a project, including any bonus depreciation, the adjusted basis of the project must be reduced by one-half of the amount of the energy credit for which the project qualifies.

For more information on the federal MACRS, see *IRS Publication 946, IRS Form 4562: Depreciation and Amortization*, and *Instructions for Form 4562*. The [IRS web site](#) provides a search mechanism for forms and publications. Enter the relevant form, publication name or number, and click "GO" to receive the requested form or publication.

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Interconnection Standards

Incentive Type: Interconnection

Eligible Renewable/Other Technologies: Photovoltaics, Wind, Fuel Cells

Applicable Sectors: Commercial, Industrial, Residential, Nonprofit, Schools, Local Government, State Government, Fed. Government

Special Rules for Net-Metered Systems? Yes

Limit on System Size/Overall

Enrollment: 10 kW (residential), 100 kW (commercial); 0.2% of utility's peak load for previous year

Standard Interconnection

Agreement? No (contact Georgia Power)

Additional Insurance

Requirements? None

External Disconnect Required? Not specified

Rules for Non-Net-Metered DG? No

Authority 1: [O.C.G. § 46-3-56](#)

Date Enacted: 4/28/2001

Effective Date: 6/1/2002

Summary:

The Georgia Cogeneration and Distributed Generation Act of 2001 allows residential electricity customers with photovoltaic systems, wind-energy systems or fuel cells with a maximum capacity of 10 kilowatts (kW), and commercial facilities up to 100 kW, to connect to the grid. A utility is not required to enroll customers beyond 0.2% of its peak load for the previous year.

Interconnected customers must comply with all national standards: Institute of Electrical and Electronic Engineers (IEEE), Underwriters Laboratories (UL), and National Electrical Safety Code (NEC). Furthermore, the Georgia Public Service Commission (PSC) may adopt additional safety, power-quality and interconnection requirements. There is no provision in Georgia's interconnection standards requiring customers to install a manual external disconnect device. Utilities may not require additional tests or additional liability insurance.

Georgia Power, the state's largest utility, has established a green-power program, whereby the power generated by eligible renewable-energy systems connected to the grid under the utility's net-metering provisions is sold to other customers. System owners are paid for generation at a higher rate than the rate at which they would be compensated under standard net metering.

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Georgia - Net Metering

Incentive Type: Net Metering Rules

Eligible Renewable/Other Technologies: Photovoltaics, Wind, Fuel Cells

Applicable Sectors: Commercial, Industrial, Residential

Limit on System Size: 10 kW for residential systems; 100 kW for commercial systems

Limit on Overall Enrollment: 0.2% of a utility's annual peak demand during the previous year

Treatment of Net Excess: Credited to customer's next bill; granted to utility at end of 12-month billing cycle

Utilities Involved: All utilities

Interconnection Standards for Net Metering? Yes

Authority 1: [O.C.G. § 46-3-50 et seq.](#)

Date Enacted: 4/28/2001

Effective Date: 6/1/2002

Summary:

Georgia's 2001 net-metering legislation paved the way for a new relationship between utilities and customer-generators by combining net metering with green pricing. Utilities will purchase energy until renewable-energy capacity reaches 0.2% of the utility's system peak. Eligible technologies include photovoltaics (PV), fuel cells and wind-energy systems up to 10 kilowatts (kW) in capacity for residential applications, and systems up to 100 kW for commercial applications. Systems must meet standards specified by Underwriters Laboratories (UL), the Institute of Electrical and Electronics Engineers (IEEE), and the National Electrical Safety Code. System owners are not required to purchase additional liability insurance.

Electricity flowing to and from the home is separately measured so that customers will see added value based on the excess kilowatt-hours the utility will sell under a green-power program. Customers are given a choice of metering arrangements. Systems may be interconnected on the customer side of the meter and have a bi-directional meter to measure flows in each direction. In this scenario, net excess generation (NEG) is credited to the customer's next bill. Alternatively, customers may send all power from a system directly to the grid by connecting ahead of the customer meter and essentially selling all power (rather than meeting on-site load with part of the energy and then selling any excess generation).

Contact:

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Solar Easements

Incentive Type: Solar Access Law/Guideline

Eligible Renewable/Other Technologies: Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics

Applicable Sectors: Commercial, Industrial, Residential, Nonprofit, Schools, Local Government, State Government, Fed. Government

Authority 2: [O.C.G. § 44-9-21 et seq.](#)

Date Enacted: 1978

Summary:

In determining that the use of solar energy "can help reduce the nation's reliance upon imported fuels," Georgia encourages the development of solar-energy systems. Accordingly, under Georgia's Solar Easements Act of 1978, easements may be established to allow owners of solar-energy systems to negotiate for assurance of continued access to sunlight.

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ELECTRIC SERVICE TARIFF:

**RENEWABLE AND NONRENEWABLE
RESOURCES
SCHEDULE: "RNR-3"**



PAGE	EFFECTIVE DATE	REVISION	PAGE NO.
1 of 2	With Bills Rendered for the Billing Month of October, 2006	Original	12.00

AVAILABILITY:

Available throughout the Company's service area on existing lines of adequate capacity.

APPLICABILITY:

Applicable for any Provider who desires to sell electrical energy to the Company.

Energy resources are divided into two groups:

- I. **Renewable energy resources** are generally defined under the Center for Resource Solutions Local Region Proposed Accreditation Criteria for the State of Georgia and include solar, wind, limited biomass, and limited hydro. Renewable energy resources are residential applications with a peak generating capacity of less than or equal to 10 kW and commercial applications with a peak generating capacity of less than or equal to 100 kW are eligible for participation subject to the terms and provisions of The Georgia Cogeneration and Distributed Generation Act of 2001.

- II. **Nonrenewable energy resources** are residential fuel cell applications with a peak generating capacity of less than or equal to 10 kW and commercial fuel cell applications with a peak generating capacity of less than or equal to 100 kW are eligible for participation subject to the terms and provisions of The Georgia Cogeneration and Distributed Generation Act of 2001.

METERING COSTS:

The Company will install single directional metering or bi-directional metering depending on the Provider's method of installation. The Provider will enter into a contract with the Company to cover all incremental metering costs billed monthly as outlined below.

Single directional metering: \$2.68

Bi-directional metering: \$4.18

SCHEDULE: "RNR-3"

PAGE	EFFECTIVE DATE	REVISION	PAGE NO.
2 of 2	With Bills Rendered for the Billing Month of October, 2006	Original	12.00

PAYMENT FOR ENERGY:

Payments for energy purchased from renewable and nonrenewable resources are a recoverable fuel cost of the Company. The Company will only make payments based on the metered energy delivered to the Company's system.

Renewable Energy Resources: The Company will only be required to purchase renewable energy from eligible providers on a first come, first serve basis until the cumulative generating capacity of all renewable sources equals to 0.2 percent of the Company's annual peak demand in the previous year. The Company will pay avoided energy cost as defined by the most recent informational filing made by the Company in compliance with the final order in the PURPA Avoided Cost Docket 4822-U. Additional energy may be purchased by the Company at a cost agreed to by it and the Provider.

Under the Georgia Public Service Commission Docket 16573-U, allowance will be made for solar-photovoltaic energy to be purchased at a preset price of 17.4 cents/kWh through the single directional metering option. Solar-photovoltaic energy purchases under this option shall be limited to a total of 500 kW jointly for the RNR-3 and SAV-RNR-3 Schedules.

Nonrenewable Energy Resources: The Company will pay avoided energy cost in compliance with the final order in the PURPA Avoided Cost Docket 4822-U to QFs. Additional energy may be purchased by the Company at a cost agreed to by it and the Provider.

SAFETY, POWER QUALITY, AND INTERCONNECTION REQUIREMENTS:

The Customer shall be responsible for ensuring a safe and reliable interconnection with the Company system and all costs incurred therein. The Company's Power Delivery Bulletin 18-8 sets forth the criteria for interconnection including system protection requirements, power quality, and operating guidelines. The Customer should be familiar with Bulletin 18-8, or its successor, and follow the procedures from preliminary application to final inspection. Every interconnection request is handled individually by the Company's Protection and Control department.

GENERAL TERMS AND CONDITIONS:

The charge calculated under this Rider is subject to change in such an amount as may be approved and/or amended by the Georgia Public Service Commission.

Service hereunder subject to Rules and Regulations for Electric Service on file with the Georgia Public Service Commission.