

Recovery Act Incentives for Wind Energy Equipment Manufacturing

This document lists some of the federal incentives available to manufacturers of wind energy equipment. These incentives were authorized by or expanded under the American Recovery and Reinvestment Act of 2009 (Recovery Act), which includes significant measures to modernize our nation's infrastructure and enhance energy independence. This list is current as of October 2009.

The U.S. Department of Energy's Wind and Hydropower Technologies Program works to maximize opportunities for domestic manufacturing of wind energy equipment by facilitating supply chain development and improvements in manufacturing productivity and quality. These efforts will ensure that the supply chain for wind energy technology is sufficient to meet increased U.S. market demand for wind energy.

Additional information:

Wind and Hydropower Technologies
Program

windandhydro.energy.gov

Database of State Incentives for
Renewable Energy

dsireusa.org



Domestically manufactured wind turbine components grew from 30% in 2005 to 50% in 2008.

Photo credit: PXT16001

Advanced Energy Manufacturing Tax Credit

The Recovery Act authorizes the Department of Treasury to award \$2.3 billion in Advanced Energy Manufacturing Tax Credits for qualified investments in new, expanded, or re-equipped domestic facilities engaged in the manufacture of renewable energy equipment. Credits, which will be worth 30% of the investment, are made available for projects through a competitive bidding process. The Department of Energy works with the Internal Revenue Service to review and make determinations on the eligibility and merit of applications for credits. Applicants will receive tax credits based on the expected commercial viability of their project, expected job creation, reduction of air pollutants and greenhouse gas emissions, technological innovation, and ability to implement the project quickly. www.energy.gov/recovery/48C.htm

Department of Energy Loan Guarantee Program

The DOE Loan Guarantee Program issues government guarantees on

loans for qualified renewable energy projects, which reduces the costs of financing projects.

The original DOE Loan Guarantee Program, first authorized by the Energy Policy Act of 2005, issues technology-specific solicitations for projects that "reduce, avoid or sequester carbon dioxide & other air emissions" using "new or significantly improved technologies." Successful applicants receive government guarantees on their project loans, but the applicants must fund the credit subsidy cost of those guarantees. Wind turbine and wind component manufacturers can take advantage of these guarantees for innovative energy technologies projects. www.lgprogram.energy.gov/

The Recovery Act provides a temporary addition to the existing Loan Guarantee Program aimed at commercial (non-innovative) renewable energy technologies. Qualified commercial technologies include wind power and incremental hydropower technologies. The Recovery Act provides \$4 billion to offset credit subsidy charges which a project must pay as a risk premium for

the guarantee. Under this temporary addition, projects must commence construction by September 30, 2011.

Grants for Small Businesses

The Department of Energy's Small Business Innovation Research / Small Business Technology Transfer (SBIR/STTR) program offers grants to small businesses to develop energy technologies. The SBIR/STTR program uses competitive solicitations, issued on an annual basis, to select projects that research, develop, and commercialize energy technologies and innovations. Past solicitations have included topics related to wind equipment manufacturing processes and improvements. www.science.doe.gov/sbir/

Expansion of Industrial Development Bonds

Cities, towns, and other municipalities can issue industrial development bonds on behalf of private industrial projects, such as the construction of manufacturing facilities leased by private companies. Interest on these bonds is exempt from federal income taxes, allowing companies to lower their financing costs. The Recovery Act changed the relevant tax code sections to include facilities used in the production of intangible property (patents, copyrights, formulas, processes, etc), in addition to facilities producing tangible products. These new rules apply to bonds issued in 2009 and 2010. finance.senate.gov/press/Bpress/2009press/prb021209.pdf



Photo credit: PIX14932

The Department of Energy works with domestic wind turbine manufactures to improve manufacturing processes and lower production costs.

Green job training

The Recovery Act provides \$750 million to the Department of Labor for a program of competitive grants for worker training and placement in high growth and emerging industry sectors. Of those funds, \$500 million are intended for research, labor exchange, and job training projects that prepare workers for careers in energy efficiency and renewable energy. www.dol.gov/recovery/implement.htm

U.S. DEPARTMENT OF
ENERGY

Energy Efficiency &
Renewable Energy

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www.eere.energy.gov/informationcenter

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