

Project Development Costs and Federal Tax Policies

National Summit on RPS

November 5, 2015

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Tax Policy

- **Muddled, at best**
 - The federal government subsidizes upwards of 50% of the cost of certain renewable power projects, creating winners and losers.
 - Fits and starts – Wind PTC
 - Meaningless extensions – Depreciation bonus
 - Game changers – Solar/fuel cell ITC
- **Next Steps**
 - Extenders
 - Conversion to “start of construction” concepts
 - Will the solar industry make it?

Project Development Costs

- **Are tax “goodies” doing their job?**
 - Solar price declines
 - Service provider costs
- **New revenue streams and new costs**
 - Storage – Transactive energy
 - Capacity – Wind and solar
 - Transmission – Network upgrades and intertie expenditures re distribution lines
 - Ratepayer “protection” – DG Hook-up charges.
 - Community solar – Arbitrage potential

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