Project Development Costs and Federal Tax Policies

National Summit on RPS
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Tax Policy

• **Muddled, at best**
  - The federal government subsidies 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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