

---

## Renewable Energy and Clean Technology Funding Opportunities

2009-07-14

The recent passage of the American Recovery and Reinvestment Act (ARRA), together with existing legislation such as the 2008 Farm Bill, the Energy Independence and Security Act of 2007, and the Energy Policy Act of 2005, has created unprecedented opportunities for renewable energy and clean technology companies to obtain funding from the federal government for a wide variety of energy and environmental projects.

Last week, the U.S. Department of Energy and the U.S. Department of the Treasury issued application guidelines for funding for the development of renewable energy projects under Section 1603 of ARRA. The so-called Section 1603 program enables applicants to receive direct payments, in lieu of the investment tax credit, for certain expenses related to biomass, solar, wind, and other renewable energy production facilities.

To be eligible for this funding, facilities must be placed in service during 2009 or 2010, or after 2010 if construction began during 2009 or 2010. Eligible property includes only property used in a trade or business or for the production of income (i.e., not residential or nonbusiness property). Applicants meeting all eligibility requirements will receive reimbursement payments of 30% of the basis of the energy equipment and systems, for most

types of facilities. (The applicable percentage is 10% for microturbines, combined heat and power systems, and certain geothermal equipment.)

Funding under the Section 1603 program will not be awarded on a competitive basis and is not capped—an estimated \$3 billion would be paid to an estimated 5,000 eligible facilities.

Applications must be received by October 1, 2011, and may not be submitted before construction is underway. The Treasury Department will issue payments within 60 days of a facility being placed in service, or within 60 days of receiving an eligible application.

For further details on the Section 1603 program, click [here](#).

WilmerHale's Energy and Clean Technology practice group has extensive experience in the areas of public policy, government contracting, project finance and development, and energy regulation. We are uniquely positioned to expertly advise renewable energy and clean technology companies on the complex issues and opportunities that arise in connection with these federal funding opportunities, and to assist companies in both obtaining government funding and successfully developing their projects.

## ***Authors***



**Mick Bain**

PARTNER

Chair, Transactional Department

✉ [michael.bain@wilmerhale.com](mailto:michael.bain@wilmerhale.com)

☎ +1 617 526 6158



**Barry J. Hurewitz**

PARTNER

✉ [barry.hurewitz@wilmerhale.com](mailto:barry.hurewitz@wilmerhale.com)

☎ +1 202 663 6089

