

GTH CLIENT ALERT
FOR BUSINESSES INVOLVED IN AGRICULTURE AND FORESTRY:
ACTION IS NEEDED NOW TO TAKE ADVANTAGE OF FEDERAL BENEFITS
FOR RENEWABLE ENERGY PRODUCTION

Congress recently extended the deadline for renewable energy development grants under the American Reinvestment and Recovery Act ("ARRA"). Grants make such investments extremely attractive. However, construction must begin by December 31, 2011. In order to allow sufficient time for permitting, financing, and other pre-construction activities, businesses wishing to take advantage of the ARRA Grants must take action soon.

What Projects Are Eligible?

Renewable energy generation, including generation powered by biomass, solar, or wind power, is eligible for the ARRA grant.

What Are the Deadlines?

Any plant seeking an ARRA grant must begin construction by December 31, 2011. In addition, construction must be completed by the end of 2012 for wind projects, the end of 2013 for biomass projects, and the end of 2016 for solar projects.

What Are the Advantages?

Grants are awarded upon the completion of construction for 30% of the project's cost. In addition, Congress recently substantially improved the bonus depreciation available for such projects. For example, solar projects may be eligible for 100% bonus depreciation. Biofuels produced from wood wastes and similar feedstocks are eligible for 50% bonus depreciation.

Who Should Be Interested?

Any owner of land with a significant solar, wind, or wood resource, and any owner of a sawmill, paper mill, or other facility with by-products that could be used for the production of electricity or biofuels, and any owner of a dairy or other facility with a significant waste that could be used to fire a biogas generator.

Who Should I Contact?

Please contact Durham McCormick, Jr. at 206.676.7584 or dmccormick@gth-law.com and Eric Christensen at 206.676.7539 or echristensen@gth-law.com.

Gordon Thomas Honeywell is a leader in Washington State and throughout the Pacific Northwest in providing legal services to the Renewable Energy Industry. Visit our website at www.gth-law.com.