

# Project Development Costs and Federal Tax Policies

**National Summit on RPS**

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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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