

Financial Incentives for PV in Multi-Family Housing

	Rebate for Systems < 30 kW (CEC Rebate) ¹	Rebate for Systems > 30 kW (PG&E Rebate) ³	State Tax Credit ⁴	State Depreciation Savings ⁶	Federal Tax Credit	Federal Depreciation Savings ⁸	TCAC Incentives ⁹
Non-Profit Developers	\$3.20/watt installed (\$3,200/kW) ²	\$4.50/watt installed (\$4,500/kW) OR up to 50% of the total installed cost (whichever is less)	Not available ⁵	Not available ⁵	Not available ⁷	Not available ⁷	Possible increase in basis limits of up to 5% of the award
For-Profit Developers	\$3.20/watt installed (\$3,200/kW) ²	\$4.50/watt installed (\$4,500/kW) OR up to 50% of the total installed cost (whichever is less)	7.5% of the net system cost	State Depreciation Savings (depending on State income tax rate)	Federal 10% Investment Tax Credit	5-Year Federal Accelerated Depreciation Savings	Possible increase in basis limits of up to 5% of the award (not applicable to market-rate projects)

1. Rebate will be reduced \$.20/watt every six months on January and July 1 of each year. Program will continue through 2006.

2. For information on the current status of rebates, contact the California Energy Center renewable energy hotline at 800-555-7794. Affordable housing projects may qualify for an extra 25% rebate above the standard rebate level, not to exceed 75% of the system cost. This sets the current rebate level at \$4.00/watt (or \$4,000/kW). The following criteria must be met:

- The affordable housing project was undertaken pursuant to sections 50052.5, 50053, or 50199.4 of the Health & Safety Code. For CEC purposes, "affordable housing" refers to projects where residency is "limited to low and moderate income persons."
- Each residential unit (apartments, multifamily homes, etc.) has an individual meter.
- The housing project has adopted measures to promote energy efficiency as evidenced by receipt of an energy efficiency rebate from the Energy Commission or applicable electric utility provider.

3. Program authorized to continue through December 31, 2004.

4. Net system cost equals the remaining balance of eligible system costs after deducting the value of any municipal, state, federal, or other incentives. Credit available through December 31, 2005.

5. To date it is unclear that these benefits are transferable to affordable housing investment partners. These credits are limited to the PV system owners and have not been found to be transferable to investors as of this writing. Customers should consult with their tax accountants regarding these credits.

6. Calculated as follows: (total installed system cost - state rebate - 7.5% tax credit) x state income tax rate.

7. To date it is unclear that these benefits are transferable to affordable housing investment partners. These credits are limited to the PV system owners and have not been found to be transferable to investors as of this writing. Customers should consult with their tax accountants regarding these credits.

8. Calculated as follows: (total installed system cost - state rebate - 1/2 of the 10% federal investment tax credit) x federal income tax rate. Assumes "non-corporate" business taxpayer using MACRS. Please note that "corporate" business taxpayers may not use MACRS for California depreciation calculations and should instead use a 12-year recovery period.

9. Once a TCAC award is made, the TCAC Executive Director may permit an increase in basis limits of up to 5% of the award. This increase, when awarded, may be a significant source of funding for the PV system - although the system must be part of the project plan in the first place.