



## News from GreenEnergyLaw.org Shaines & McEachern, PA

### RENEWABLE ENERGY INDUSTRY NEEDS MORE THAN GOVERNMENT MONEY

Government Funding May Not be Enough  
Portsmouth, NH (July 10, 2009)

A majority of renewable green energy project installers recently surveyed by the Portsmouth law firm of Shaines & McEachern want easier access to credit along with tax credits and grants. And many want the government to do more, including a carbon tax that would have longer-lasting impact on renewable green energy projects to make renewable energy more competitive with traditional energy sources.

In June, a 10-question survey was sent to a select number of renewable energy project developers and solar installers to get their input into the status of the renewable energy industry. (See <http://www.greenenergylaw.org/energysurvey6-09.html>). The focus of the inquiry was to gauge the importance of the pending renewable energy grants being issued this summer or fall by the US Treasury as part of the major stimulus bill enacted this spring. Despite billions of dollars being targeted at renewable energy and energy-efficiency development, few of the funds have been released and projects have been reportedly been threatened with delays and cancellations. (See <http://www.greentechmedia.com/articles/read/solar-companies-fear-delays-as-feds-work-slow-magic/>).

“It was fairly certain that almost everyone wanted some type of government funding to help their business, particularly in a recession” stated Rob Wolf, an associate with Shaines & McEachern in Portsmouth, N.H. who conducted the survey. “What hit home when reviewing the survey responses was that many in the industry still see renewable energy at a cost-disadvantage compared to traditional energy sources despite the billions being spent by the government. That is a challenge that we are attempting to resolve with some unique legal and financial solutions.”

Tax credits have been available for renewable energy projects as far back as 2005 with updates to the tax codes. Those credits were expanded last fall and significantly enlarged this spring with the passage of the American Recovery and Reinvestment Act or “stimulus bill” which allowed developers to exchange the tax credits for outright tax-free grants from the US Treasury.



### **Renewable Energy Industry Needs continued:**

For many projects such as commercial solar electric installations, as much as 30% of the installation cost will be paid for by the government. In addition to the grants, state programs and accelerated depreciation allow project investors to combine a variety of revenue and economic benefits so make projects more affordable and cost-competitive with traditional electric service from the electric companies.

According to Wolf, the combination of federal grants, state programs, net-metering (where excess electricity is sold back to the electric company) power-purchase agreements or project leases coupled with tax incentives such as depreciation can make the cost of electricity generated from a medium-scale solar project equal to or less expensive than the power received from the grid. Added Wolf, "oil and gas prices will go up when we see an end to the current recession, and with those increases are likely increases in the cost of electricity. But renewables like solar can offer a fixed cost which will be increasingly competitive in the not-to-distant future. If done right, solar beats the grid even today and it will only get better as traditional prices go up."

Wolf created the <http://www.GreenEnergyLaw.org> web-site to spearhead the law firm's renewable energy legal services. Since 1966, Shaines & McEachern has been a leading regional law firm engaged in the general practice of law with an emphasis on the region's small and medium-sized business clients. Attorneys at the firm are licensed to practice in New Hampshire, Maine, Massachusetts, U.S. District Courts, U.S. Court of Appeals, U.S. Military Court of Appeals, and the U.S. Supreme Court. Visit [www.Shaines.com](http://www.Shaines.com) for more details. Offices located in Portsmouth, Boston and Kittery, Maine.

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