



State Incentives for Achieving Clean and Renewable Energy Development on Contaminated Lands

The development of clean and renewable energy on formerly used land offers many economic and environmental benefits. Combining clean and renewable energy and contaminated land cleanup incentives can allow investors and communities to create economically viable clean and renewable energy redevelopment projects. This document provides information about incentives in your state that can be leveraged for clean and renewable energy and development of contaminated land.



Incentives for Clean and Renewable Energy

Tax Incentives (abatements, deductions, credits, etc.)

Arizona Solar & Wind Tax Credit

www.azcommerce.com/BusAsst/Incentives/Solar+Energy+Tax+Incentives+Program.htm

Encourages the installation and adaptation of solar energy for commercial or industrial purposes through a tax credit equal to 10% of the installed cost of the device. The tax credits are limited to \$25,000 per building per year and \$50,000 in total credits per company in any year. The total amount of credits available for the program is \$1 million per calendar year.

Arizona Solar and Wind Equipment Sales Tax Exemption

www.azsolarcenter.com/benefits/solarsalestax.html

Provides 100% sales tax exemption for solar and wind equipment, including passive solar space heat, solar water heat, solar space heat, solar thermal electric, photovoltaic (PV), wind, solar pool heating, and daylighting. Sales tax exemption expires on December 31, 2010.

Arizona Public Service (APS) Solar Partners Incentive Program

www.aps.com/my_community/Solar/eps.html

Offers non-residential customers who install PV and solar hot water systems the opportunity to sell the credits associated with the energy generated to APS, including the following incentives:

Install a new PV system and receive an up-front incentive of \$2.50 per installed DC watt. The maximum incentive per customer per year is \$500,000.

Install a new PV system and receive a production-based incentive (PBI), which includes two 20-year REC purchase agreements, the first for \$0.25 per kWh on a 10-year payment schedule or the second for \$0.18 per kWh on a 20-year payment schedule. Total annual payments cannot exceed \$500,000.

Install a new, large solar water heating system (minimum system size is 5,000 kWh per year estimated energy savings) and receive a PBI for the thermal energy delivered by a solar water heating system of \$0.07 per kWh-equivalent based on metered production. The PBI is for a term of 10 years or 50 percent of the total system cost, whichever comes first.

Install a new solar HVAC system (minimum system size is 10 tons of cooling) and receive a PBI for the thermal energy delivered for cooling by a solar HVAC system of \$0.16 per kWh-equivalent based on metered production. The PBI is for a term of 10 years or 50 percent of the total system cost, whichever comes first.

Net Metering

Arizona Public Service (APS)

www.aps.com/main/account/orders/EPR/default.html

Offers net metering to customers with systems up to 100 kW in capacity that generate electricity using solar energy, wind energy, or biomass energy. The program is capped at 15 MW and expires in July 2010.

Quick Facts

Public Benefit Fund (PBF)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Renewable Portfolio Standard 15% by 2025	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Net Metering	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Interconnection Standards	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

Electric Power Industry Generation by Primary Energy Source (EIA, 2006)

Petroleum-Fired	0.1%	Nuclear	23.0%
Natural Gas-Fired	31.5%	Hydroelectric	6.5%
Coal-Fired	38.7%	Other Renewables	0.1%

Points of Contact

Arizona Solar & Wind Tax Credit (Corporate/Industrial)

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Arizona Solar and Wind Equipment Sales Tax Exemption

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Arizona Public Service (APS) Solar Partners Incentive Program

APS Solar Partners Incentive Program Team, dg_interconnect@aps.com, (602) 328-1924



Incentives for Development of Contaminated Land



Funding (grants, loans, bonds, etc.)

Arizona Department of Environmental Quality (ADEQ) Brownfields Targeted Site Assessment Program

www.azdeq.gov/environ/waste/cleanup/brownfields.html#target

Provides financial assistance up to \$50,000 per site for environmental assessment activities. Funding amounts for cleanup grants is available up to \$200,000 and is site specific. The funded activity must be completed before the grant period ends, typically two years after the award date.

Tax Incentives (abatements, credits, deductions, etc.)

ADEQ Brownfields Tax Incentive

www.azdeq.gov/environ/waste/cleanup/brownfields.html#fed

Fully deducts certain environmental cleanup costs at targeted sites by eligible taxpayers in the year in which they are incurred, rather than having to be capitalized and spread over a period of years. The Brownfield Tax Incentive is not a tax credit, but reduces the tax burden indirectly by lowering taxable income. In Arizona, the taxpayer must receive a pre-certification letter from ADEQ that the property is a qualified contaminated site.

Technical Assistance and Other Incentives

Brownfields Redevelopment Toolbox

www.azdeq.gov/environ/waste/cleanup/download/tool.pdf

Explains the five steps of the brownfields redevelopment process and provides a summary of available federal, state, and local incentives.

ADEQ Brownfields Assistance Program

www.azdeq.gov/environ/waste/cleanup/brownfields.html

The Arizona Brownfields Assistance Program provides technical assistance to assess and clean up property where reuse is complicated by the presence or potential presence of hazardous substances or pollutants.

ADEQ Voluntary Remediation Program (VRP)

www.azdeq.gov/environ/waste/cleanup/vol.html

The VRP is a cost-for-fee mechanism for site owners or operators to voluntarily address contamination with ADEQ concurrence. The VRP offers a single point of contact between the participant and all ADEQ programs, and a closure document upon completion of a remediation to the appropriate standards. The VRP provides flexibility for participants to set their own remediation schedule.

Declaration of Environmental Use Restriction (DEUR)

www.azdeq.gov/environ/waste/cleanup/deur.html

Offers a Declaration of Environmental Use Restriction (DEUR), which is a restrictive covenant that documents institutional and engineering controls that may be used to allow closure of a site where contamination is still present. Use of this tool often allows properties to be safely closed in a shorter time frame, and at less expense than a full scale cleanup, allowing the property to be more quickly redeveloped, sold or otherwise put to productive use earlier.

Limitations on Liability

Prospective Purchaser Agreement (PPA) - Covenant Not to Sue

www.azdeq.gov/environ/waste/sps/liability.html

Arizona's PPA is a fee-based tool to avoid potential liability through a written agreement with ADEQ, which provides a written release and Covenant Not to Sue for any potential Water Quality Assurance Revolving Fund liability for existing contamination, if certain statutory conditions are met.

Quick Facts

Limitations on Liability	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Number of State-Tracked Contaminated Properties:	213
Includes sites within the ADEQ Voluntary Remediation and Brownfields Programs	
Number of EPA CERCLIS Sites:	205
Sites identified for potential investigation under the federal Superfund Program	
Number of EPA Brownfields Properties:	55
Properties being funded or addressed under the EPA Brownfields Program	

There may be some overlap among the categories listed and sites listed may not represent all potentially contaminated sites in Arizona.

Points of Contact

Arizona Department of Environmental Quality (ADEQ) Brownfields Redevelopment Toolbox, Brownfields Targeted Site Assessment Program, Brownfields Assistance Program, Brownfields Tax Incentive

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Voluntary Remediation Program (VRP)

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Declaration of Environmental Use Restriction (DEUR)

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Prospective Purchaser Agreement (PPA)

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