

# U.S. TREASURY DEPARTMENT

## OFFICE OF PUBLIC AFFAIRS

**FOR IMMEDIATE RELEASE: July 31, 2009**  
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### **TREASURY, ENERGY NOW ACCEPTING APPLICATIONS FOR FUNDING FOR RENEWABLE ENERGY PROJECTS**

*Direct Cash Payments Will Advance Economic Development, Expand Renewable Energy Use*

**WASHINGTON** – With the goal of expanding development of renewable energy projects throughout the United States and creating new jobs, the U.S. Department of the Treasury and the U.S. Department of Energy today announced they are now accepting applications for a program that will make direct payments in lieu of tax credits to companies that create and place in service renewable energy facilities. The two Departments estimate distributing at least \$3 billion in financial support to approximately 5,000 bio-mass, solar, wind, and other types of renewable energy production facilities. The funding for this effort is made available through the American Recovery and Reinvestment Act.

“As we move quickly to get our economy back on track and to repair the financial system, we must make investments that lay the foundation for a stronger economic future,” said Treasury Secretary Timothy Geithner. “Too many renewable energy projects have stalled due to a lack of financing. The Recovery Act program will lead to investment in our long-term energy needs, move us towards energy independence, increase jobs at energy-specific businesses, and protect our environment.”

Said Secretary Chu: "This program will play a major role in encouraging private sector capital to invest in clean energy development, creating new jobs that can't be outsourced. It is an investment that will continue to help our economy grow and ensure advancement in clean and renewable energy development."

The Recovery Act authorized Treasury to make direct payments to companies that create and place in service renewable energy facilities beginning January 1, 2009. Previously, these companies could file for a tax credit to cover a portion of the renewable energy project's cost; under the new program, applicants would agree to forgo future tax credits in favor of an immediate reimbursement of a portion of the property expense. The Energy Department will assist Treasury in implementing this program by reviewing the technical merits of the applications.

In previous years, the tax credit has been widely used. The rate of new renewable energy installations has fallen since the economic downturn began, as projects had a more difficult time obtaining financing. The Departments of the Treasury and Energy expect a fast acceleration of businesses applying for the direct cash payment in lieu of the tax credit, allowing for an immediate stimulus in local economies.

Earlier this year, Treasury and Energy held a stakeholder outreach conference call to assist companies in applying for the program. They also made available in advance the program's terms and conditions, guidance, and a sample application so that companies could prepare applications in advance of the launch of the web-based application, aimed at expediting the distribution of program funds to eligible businesses.

Companies interested in applying for the program can visit [here](#) for more information.

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