

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010: A Win for Clean Energy

The Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 includes important provisions to help us meet our clean energy goals by promoting renewable energy, reducing our dependence on oil, and increasing energy efficiency. The package includes a one year extension of the successful “1603” renewable energy grant program.

Promoting wind, solar and other renewable energy technologies

- Extension of the “1603” renewable production credit. The 1603 renewable energy grant program under the Recovery Act has been an essential tool in deploying renewable energy resources in the U.S. over the past two years, successfully increasing U.S. manufacturing and creating tens of thousands of new jobs for Americans. Renewable energy companies and developers and local small businesses have been collecting these incentives as tax credits long before the Recovery Act – but the Recovery Act converted these tax credits into grant payments, making it easier for recipients to quickly expand clean energy generation and hiring. To-date, the 1603 program has helped encourage more than 4,000 clean energy projects. This agreement will now include a one year extension of the 1603 program.

Decreasing dependence on oil

- Support for domestic biofuel production. The Act includes several provisions to reduce oil dependence by encouraging biofuel production, including one that extends the current 45 cent per gallon tax credit for ethanol through 2011. The bill also extends, through 2011, \$1 dollar per gallon tax credits for biodiesel production and diesel fuel created from biomass, as well as a 10 cent per gallon tax credit for agri-biodiesel producers.
- Alternative vehicle refueling infrastructure. The bill extends through 2011 the 30% investment tax credit for infrastructure that supports alternative fuels like ethanol, hydrogen, biodiesel and natural gas.

Increasing efficiency

- Energy-efficient new homes credit. The bill extends through 2011 the “Section 45L” credit of up to \$2000 for builders of residential homes that are more energy efficient than comparable homes.
- Energy-efficient appliances. The bill extends through 2011 and modifies standards for the “Section 45M” credit for US-based manufacture of energy-efficient clothes washers, dishwashers and refrigerators produced in the U.S.
- Energy-efficient existing homes. The bill helps homeowners lower their energy bills by extending through 2011 the “Section 25C” credit for energy-efficient retrofits to existing homes. This credit allows taxpayers to claim up to \$500 for improvements that make their homes more energy efficient like installing better-insulated windows and doors.