



Incentives, Loans, and Grants

For Renewable Energy Businesses

Why are incentives important?

Fast Facts:

- ✓ In Alabama and the Tennessee Valley, agricultural and entrepreneurial sectors can benefit from an increase in production of agriculturally based renewable fuels and alternative energy technologies.
- ✓ Currently, our state imports nearly all of the fossil fuels used in transportation from other states and countries. Incentives will increase demand and support for local fuel production and use.
- ✓ 60% of electrical power we receive is from fossil fuels such as coal, natural gas and oil. However, Alabama is one of the largest users of hydro power.
- ✓ Alternative fuels and renewable power sources are a cleaner alternative to the current use of conventional fuel. Statewide, highway and off-road mobile sources account for a significant source of our state's air quality problems.
- ✓ Alabama's soil is well suited for growing switchgrass, making the State a potential site for the installation of bioenergy plants.

What incentives are available?

Alabama Department of Economic and Community Affairs (ADECA): The mission of the Energy Division is to provide assistance and services to the citizens of our state through the management and development of energy programs, the advancement of telecommunications and to foster the advancement of technology to strengthen the Alabama economy. ADECA sponsors grants and loans geared toward helping those interested in alternative energy projects. To find out more information on what they offer go to their website at

→ <http://www.adeca.alabama.gov/Energy/default.aspx>

Farm Bill Clean Energy Incentives: Because of the many environmental energy security and rural economic development benefits of clean energy, the federal government provides assistance to spark the growth of rural renewable energy businesses. The monetary assistance was granted by Section 9006 of the 2002 Farm Bill. After conducting public hearings. The newly passed Farm Bill looks to add two more programs, Biorefinery Assistance and Rural Energy for America Program. Alabama contact for USDA rural development is Quinton Harris, 334.279.3623, quinton.harris@al.usda.gov. Current programs sponsored by the USDA are:

1. Rural Business – Cooperative Programs
→ <http://www.rurdev.usda.gov/al/rbcs.htm>
2. 2008 Renewable Energy and Energy Efficiency Grant and Loan Guarantee Program
→ <http://farmenergy.org/incentives/sect9006.php>
3. Value Added Producer Grants (Section 6401)
→ <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>
4. Federal Procurement of Biobased Products (Section 9002)
→ <http://www.biobased.oce.usda.gov>
5. Biomass Research and Development (Section 9008)
→ <http://www.farmenergy.org/incentives/business.php>

The Database of State Incentives for Renewables and Efficiency (DSIRE) Established in 1995, DSIRE is an ongoing project of the Interstate Renewable Energy Council (IREC), funded by the U.S. Department of Energy and managed by the North Carolina Solar Center. It is a free, comprehensive, user-friendly source of information on state, local, utility and selected federal incentives that promote renewable energy and energy efficiency. With a single click of the mouse, DSIRE provides users with a list of renewable-energy incentives and energy-efficiency incentives available in any U.S. state. The incentives are divided into two categories:

1. Financial Incentives - including tax credits, deductions and exemptions; grants, rebates, loans, etc.
2. Rules, Regulations & Policies - including net metering and interconnection standards, public benefits funds, renewables portfolio standards, fuel mix generation disclosure, solar access laws, solar contractor licensing, green power purchases, building energy codes, appliance and equipment efficiency standards, etc.

To view consolidated information on incentives for Alabama residents go to → <http://www.dsireusa.org>

Energy Efficiency and Renewable Energy (EERE): The Department of Energy created EERE to address critical new energy topics that are clean, abundant, reliable, and affordable. Inside EERE are many programs such as:

- Biomass
- Geothermal Technologies
- Solar Energy Technologies
- Weatherization and Intergovernmental
- Building Technologies
- Hydrogen/Fuel Cell, Industrial Technologies
- Vehicle Technologies
- Wind & Hydropower Technologies

Each of the programs listed above have financial assistance information on their individual website. The main page of EERE will take you there → <http://www.eere.energy.gov>

Tax Incentive Assistance Project (TIAP):

Tax credits are always changing but there are always credits or deductions related to renewable energy. To find a list of beneficial federal credits, check out the Tax Incentive Assistance Project (TIAP) at:

→ <http://www.energytaxincentives.org>

The TIAP is sponsored by a coalition of non-profit groups, government agencies, and other organizations in the energy efficiency field. This group has consolidated federal income tax incentives granted by the Energy Policy Act of 2005.

You will find help for various business categories:

- Commercial building
- Commercial vehicles
- Solar systems
- Fuel cell and Microturbines

Tennessee Valley Authority (TVA): In addition to supplying much of the Appalachian region it's power, TVA hosts a number of programs geared to entrepreneurs (<http://www.tvaed.com/loans.htm>). An example of such funds are:

- Economic Development Funds (<http://www.tvaed.com/pdf/edlf06.pdf>)
- Special Opportunities Counties Fund (<http://www.tvaed.com/pdf/soc06.pdf>)
- Enhanced Growth Credit (http://www.tvaed.com/pdf/enhanced_growth08.pdf)
- Southern Appalachian Fund (<http://www.southappfund.com>)

If you have any questions about the incentives listed above you can contact the Renewable Energy Outreach (REO) group at BizTech at (256) 489-0058 or ruchi@biztech.org . If you are in the Shoals region, contact Giles McDaniel at (256)760-9014 or giles@shoalsec.com at the Shoals Entrepreneurial Center.

