

U.S. Department of the Treasury

Application for Section 1603 - Payments for Specified Renewable Energy Property in Lieu of Tax Credits

[main menu](#) | [user profile](#) | [sign off](#) | [contact us](#)

Application for Section 1603: Payments for Specified Renewable Energy Property in Lieu of Tax Credits (Combined)

While there are directions in this application, they are not a substitute for reading and understanding the Program Guidance, Terms and Conditions, Section 1603 of the American Recovery and Reinvestment Tax Act of 2009, and Sections 45 and 48 of the Internal Revenue Code.

All fields are required unless otherwise noted. Fill out the form in order, as lower sections are affected by upper section choices. Allowed values are marked in italics, items in square brackets [] are optional.

The numbering of questions in this application form is not sequential. Some numbers are skipped intentionally.

[View checklist for properties already placed in service](#)

Section 1: Applicant Eligibility

1A. Type of Applicant — indicate which choice best describes the applicant. Governments, 501(c) organizations, 54(j)(4) entities, partnership or pass-thru entities with any government /501(c)/54(j)(4) entity as a partner (or other holder of an equity or profits interest), and in some cases foreign persons and entities are not eligible for Section 1603 payments.

- Federal, State, or local government or any political subdivision, agency, or instrumentality thereof - **do not continue with application**
- Organization described in section 501(c) of the Internal Revenue Code and exempt from tax under section 501(a) of such Code - **do not continue with application**
- Entity referred to in paragraph (4) of section 54(j) of the Internal Revenue Code - **do not continue with application**
- Partnership or pass-thru entity with a government or any political subdivision, agency, or instrumentality thereof, 501(c) organization, or 54(j)(4) entity as a direct or indirect partner (or other direct or indirect holder of an equity or profits interest) - **do not continue with application** (Note: If such entity only owns an indirect interest in the applicant through a taxable C corporation, do not choose this selection.)
- Foreign person or entity **not** qualifying for the exception in section 168(h)(2)(B) of the Internal Revenue Code with respect to the property - **do not continue with application**
- Foreign person or entity qualifying for the exception in section 168(h)(2)(B) of the Internal Revenue Code with respect to the property
- Sole proprietorship
- Joint venture
- Partnership
- Domestic C corporation
- Domestic S corporation
- Cooperative organization described in section 1381 of the Internal Revenue Code
- Real Estate Investment Trust (REIT)
- Other (specify here):

1B. Applicant's Interest in the Property — indicate the applicant's interest in the property.

- Applicant is owner of the property.
- Applicant is lessee of the property (include waiver from owner, as described in the Program Guidance and in Section 6 of this Application).
- Applicant is not the owner or lessee of the property - **do not continue with application**

Section 2: Property Information

2A. Depreciation and Use of Property — indicate which choice best describes the property.

- Property is **not** depreciable or amortization is not allowed - **do not continue with application**
- Property is depreciable or amortization is allowed in lieu of depreciation.
- Property is **both** depreciable or amortization is allowed in lieu of depreciation and is a public utility property within the meaning of section 168(i)(10) of the Internal Revenue Code.

2B. Property Identification — enter information about the location of the property. *City or County required.

- Property is located outside the United States during more than 50% of the year - **do not continue with application**. (Note: If such property meets the requirements described in section 168(g)(4) of the IRC, do not choose this selection.)
- Property is located predominately within the United States.

Name:

Street Address 1:

Street Address 2 (optional):

*City:

*County:
State: ...
Zip Code: 00000[-0000]

2C. Property Placed in Service — enter the date on which the property was placed in service. See Program Guidance for a definition of placed in service date. If applying for multiple units of property that the applicant is treating as a single, larger unit of property and the units have different placed in service dates, enter the date the first and last units were placed in service.

Date (for multiple units, first property):
Date (optional - for multiple units, last property):

2D. Date Construction Began — enter the date on which construction began. See Program Guidance for a definition of beginning of construction and the credit termination date by which time the project must be placed in service.

Construction of the property began on this date:

2F. Requirements for Beginning Construction (you must check at least one box) -- Did you:

- (a) incur or pay more than 5% of the eligible cost of the property?
 (b) begin significant work of a physical nature on the property?

Although you are only required to meet the requirements of one of the above options, you may choose both options. If you select only one option you will not be permitted to change options or add the other option after September 30, 2012.

Section 3: Applicant Information

3A. Applicant — enter information about the entity that placed the property in service.

Business name: Street address 1:
Phone: 000 000 0000 [()-.] Street address 2 (optional):
Employer Identification Number (EIN): 000000000 City:
Do not enter a Social Security number
DUNS Number: 000000000 State: ...
Website address (optional): Zip code: 00000[-0000]

3B. Contact Person — enter information for the person to be contacted about this application.

First name: Last name:
Organizational affiliation: E-mail address:
Phone: 000 000 0000 [()-.] Fax: 000 000 0000 [()-.]

3C. Previous Applications — indicate whether an application has previously been submitted for Section 1603 payments for this property or property at this same location. (This does not include an application previously submitted for this property to show that construction began in 2009-2011.)

- No applications submitted previously for Section 1603 payments for this property.
 Application(s) have been submitted previously for this property or property at this same location.

Section 4: Property Description

4A. Specified Energy Property — indicate which choice best describes the type of specified energy property. See Program Guidance for a further explanation of each type.

Specified properties eligible under section 45 of Internal Revenue Code

- Wind facility — uses wind to produce electricity (wind turbines with capacity of 100kW or less may also qualify below as small wind energy property but only one payment is allowed with respect to the property).
- Closed-loop biomass facility (other than a facility described in the choice below) — uses organic material from a plant grown exclusively for purposes of being used to generate electricity. If a portion of fuel is not closed-loop biomass, give the percentage of fuel, on an annual basis, that is closed-loop biomass: %.
- Facility modified to use closed-loop biomass to co-fire with coal, other biomass, or both. Modification must be approved under the Biomass Power for Rural Development Program or be part of a pilot project of the Commodity Credit Corporation. Give the percentage of fuel, on an annual basis, that is closed-loop biomass: %.
- Open-loop biomass facility (cellulosic waste material) — uses solid, non-hazardous, cellulosic waste material or any lignin material derived from qualified sources described in section 45(c)(3)(ii) of the Internal Revenue Code to produce electricity. If a portion of fuel is not open-loop biomass of this type, give the percentage of fuel, on an annual basis, that is open-loop biomass of this type: %.
- Open-loop biomass facility (livestock waste nutrients) — uses agricultural livestock waste nutrients to produce electricity and has a nameplate capacity rating of not less than 150 kW. If a portion of fuel is not agricultural livestock waste nutrients, give the percentage of fuel, on an annual basis, that is agricultural livestock waste nutrients: %.
- Geothermal facility — uses geothermal energy to produce electricity.

- Landfill gas facility — uses gas derived from the biodegradation of municipal solid waste to produce electricity.
- Trash facility — uses municipal solid waste to produce electricity and is not a landfill gas facility.
- Hydropower facility (incremental hydropower) — produces incremental hydropower production as a result of efficiency improvements and additions to capacity to which the incremental hydropower production is attributable. The baseline and incremental increase in energy production must be certified by FERC.
- Hydropower facility — hydropower producing facility installed on a qualifying nonhydroelectric dam. The property must be licensed by FERC and meet all other applicable environmental, licensing, and regulatory requirements.
- Marine and hydrokinetic renewable energy facility — uses marine and hydrokinetic renewable energy to produce electricity and has a nameplate capacity rating of at least 150 kW.

Specified properties eligible under section 48 of Internal Revenue Code

- Solar electricity property — uses solar energy to generate electricity.
- Solar thermal property — uses solar energy to heat or cool (or provide hot water for use in) a structure, or to provide solar process heat (property used to generate energy for heating a swimming pool ineligible).
- Solar lighting property — uses solar energy to illuminate the inside of a structure using fiber optic distributed sunlight.
- Geothermal property — equipment used to produce, distribute, or use energy derived from a geothermal deposit.
- Fuel cell property — fuel cell power plant that has a nameplate capacity of at least 0.5 kW of electricity using an electrochemical process **and** an electricity-only generation efficiency greater than 30%.
- Microturbine property — stationary microturbine power plant that has a nameplate capacity of less than 2,000 kW **and** an electricity-only generation efficiency of not less than 26% at International Standard Organization conditions.
- Combined heat and power system property — system that uses the same energy source for the simultaneous or sequential generation of electrical power, mechanical shaft power, or both, in combination with the generation of steam or other form of useful thermal energy and that meets all of the following requirements:
 1. System produces at least 20% of total useful energy in the form of thermal energy which is not used for electrical or mechanical power (report thermal production in Section 4D of this application).
 2. System produces at least 20% of total useful energy in the form of electrical or mechanical power (or combination) (report electrical and/or mechanical production in Section 4D of this application).
 3. System energy efficiency percentage exceeds 60% [unless system uses open- or closed-loop biomass (see Guidance) for at least 90% of the energy source]. Specify energy efficiency percentage: % and, if applicable, percentage of energy source from open- or closed-loop biomass: %.
 4. System does not exceed 50 MW or a mechanical energy capacity in excess of 67,000 horsepower or an equivalent combination of electrical and mechanical energy capacities (report system capacity in Section 4D of this application).
- Small wind energy property — uses a turbine with nameplate capacity of not more than 100 kW to generate electricity.
- Geothermal heat pump property — uses the ground or ground water as a thermal energy source to heat a structure or as a thermal energy sink to cool a structure.

4B. Narrative Description of Property — give a summary description of the property that is suitable for publication. Limit the summary to 2500 characters. If applying for multiple units of property that are being treated as a single, larger property, so indicate in the narrative.

4C. Use of Energy — select an option and then describe how the energy produced is being/will be used.

- Energy produced has been/will be sold.
- Energy produced has not been/will not be sold.

4D. Energy Generated by the Property — fill in the appropriate column depending on whether the property generates electrical, mechanical, or thermal energy (or combination) for the capacity and production of the property. This section is not applicable to solar illumination properties and geothermal heat pump properties. Enter the estimated production. kW=kilowatt(s), kWh=kilowatt hour(s), MMBTU=one-million British Thermal Units, hp=horsepower.

	Electrical	Mechanical				Thermal
Installed nameplate capacity:	<input type="text"/> kW	<input type="text"/> kW	<input type="radio"/> kW	<input type="radio"/> hp	<input type="radio"/> MMBTU/hr	<input type="text"/> MMBTU/hr
Estimated annual production:	<input type="text"/> kWh	<input type="text"/> kWh	<input type="radio"/> kWh	<input type="radio"/> hp	<input type="radio"/> MMBTU	<input type="text"/> MMBTU

4E. Jobs Created/Retained by the Property — enter the estimated number of direct jobs created/retained by the property. Direct jobs are those created/retained in the project, not by suppliers who make the materials used in the project.

	Construction Stage	Operational Stage
Full-time jobs (at least 35 hours per week):	<input type="text"/>	<input type="text"/>
Part-time jobs (less than 35 hours per week):	<input type="text"/>	<input type="text"/>

Section 5. Cost Basis and Request for Payment

5A. Cost Basis and Applicable Percentage — enter the qualified cost basis of the property and the applicable percentage to calculate the request for payment. The applicable percentage is either 10% or 30% depending on the type of energy property. See Program Guidance to determine the applicable percentage. Fuel cell property formula — if the applicable percentage times the qualified cost basis exceeds an amount equal to \$1,500 for each 0.5 kW of capacity, maximum request for payment amount cannot exceed \$1,500 times each 0.5 kW of capacity. Microturbine property formula — if the applicable percentage times the qualified cost basis exceeds an amount equal to \$200 for each kW of capacity, maximum request for payment cannot exceed \$200 times the number of kW of capacity.

Qualified cost basis (as shown in supporting documentation): \$.00

Applicable percentage: 10% 30%

For fuel cell property: Maximum payment = \$1,500 per 0.5 kW of capacity

For microturbine property: Maximum payment = \$100 per 0.5 kW of capacity

5B. Request for Payment — from the calculation in 5A, the amount of request for payment.

Amount of request for payment: \$ (Based on calculations in 5A.)

5C. Assignment — Indicate if the 1603 payment has been assigned to a financial institution in accordance with Federal Assignment of Claims Act (31 U.S.C. 3727)

- The 1603 payment has not been assigned to a financial institution.
 The 1603 payment has been assigned to a financial institution.

Section 6. Documentation

6A. Documentation for Properties Placed In Service — for properties placed in service attach documentation: to establish that the property has been placed in service as claimed in Section 2C of this application; to demonstrate that the property has met the requirements shown in Section 4 of this application; and to support costs claimed in Section 5 of this application. See Program Guidance for information on acceptable documentation to establish a property is placed in service and meets the eligibility requirements and to support costs. If the applicant is a lessee (as indicated in Section 1B), attach a waiver, as described in the Program Guidance, from the owner. NOTE: You may add additional documents or replace these as needed using the "Add/modify supporting documentation" option in the main menu for up to 3 days after submitting this application.

ACCEPTED FILE TYPES: Office (doc, docx, xls, xlsx), pdf, and plain text (txt) formats. Limit total size of all files to 100 MB or less.

Supporting documents requested for properties placed in service (This is provided as guidance for all applicants. However, eligibility decisions by the Department of Treasury will be based ultimately on applicant's eligibility under Section 45 or Section 48 of the US Tax Code.)

- **Design Plans to support eligibility of energy property** - All applicants must submit as-built, legible design plans stamped by a professional engineer (PE). For solar electric property, submit a one-line diagram and site/array layout. If a PE stamp was not required, submit a letter explaining why the seal was not required.
- **Signed and dated commissioning report** - All applicants must submit a statement from the installer or engineer stating that the property has been placed in service. The statement should provide the date the energy property was placed in service and as-built capacity. A local agency inspection is not acceptable as a commissioning report.
- **Detailed cost breakdown to support cost basis** - All applicants must submit a detailed breakdown of eligible costs in table format. This includes all costs and components related to the cost basis.
- **Independent Accountant's Certification** - If the energy property cost basis is \$500,000 or more, applicant must submit an independent accountant's certification. This certification should include a detailed cost breakdown or cost segregation report for the review team to see both eligible and non-qualifying costs. Be sure to include the method of allocation for indirect costs allocated between eligible and ineligible costs.
- **Permission to Operate** - If the project is connected to the electrical grid, applicant must provide correspondence with the utility that the interconnection agreement is placed in effect. This may be a signed letter or utility email giving permission to the applicant to energize (commission, connect, operate) the energy property.
- **Authorized Signatory** - If the application is being prepared by someone other than the owner, the application must include a notarized authorization from the owner granting permission to the preparer to represent the owner for purposes of the 1603 program.
- **Lease Waiver** - If an eligible lessor elects to pass-through the payment to the lessee, the lessee and lessor must agree that the lessor waives all right to the 1603 payment. Submit an executed written agreement between the lessor and lessee of the energy property. See page 18 of the Guidance for the required contents of the agreement.
- **Demonstrate Applicant Eligibility** - If you are a limited liability company (LLC), select "other" and identify the LLC name and State that the LLC is organized in. If the LLC is not directly taxed as a corporation, please provide an organization chart and/or narrative that clearly describes ownership, including holding companies and affiliates, demonstrating the applicant's eligibility as a taxpaying business entity and related party interests.

OTHER:

- Please attach any additional supporting documents to support your application. **If you require more uploads than this form provides, supplement these with the "Add/Modify Supporting Documentation" function under the Application Package Control Panel for this application when finished.**

Attached is documentation to support eligibility of the specified energy property:

Attached is documentation to support costs:

Attached is documentation to establish property is placed in service:

Attached is owner's waiver, if applicant is a lessee (as indicated in Section 1B):

6B. Documentation for Begun Construction — attach documentation to establish that construction began in 2009-2011 as claimed in Section 2F of this application. See Program Guidance and Frequently Asked Questions for information on acceptable documentation to establish that construction began in 2009-2011.

ACCEPTED FILE TYPES: Office (doc, docx, xls, xlsx), pdf, and plain text (txt) formats. Limit total size of all files to 100MB or less.

Supporting documents (This is provided as guidance for all applicants. However, eligibility decisions by the Department of Treasury will be based ultimately on applicant's

eligibility under Section 45 of Section 48 of the US Tax Code.)

For Applicants Electing 5% Safe Harbor — All applicants must document the costs paid/incurred. Required documentation includes:

- A statement from an authorized representative of the applicant signed under penalties of perjury attesting to the method of accounting by the applicant for federal tax purposes and the amount paid (for cash method applicants) or incurred (for accrual method applicants) before the end of 2011
- Evidence of the costs paid/incurred such as invoices or other financial records
- Detailed description of the costs paid/incurred including delineation of eligible and ineligible costs
- Cost breakdown of the estimated total project cost identifying major equipment and construction categories
- If materials are part of the 5% of costs, a detailed plan for ensuring that the materials for which costs were paid/incurred by the end of 2011 are the same materials used in the energy property for which you are applying for payment
- For projects with an estimated cost basis of \$1 million or more, an independent accountant's report that includes all of the above information. Go to Accountant's Report for Begun Construction section of the Treasury website to view the requirements for the independent accountant's report

Applicants Reliant on Costs Paid or Incurred by a Contractor Must Also Submit

- A copy of the binding written contract
- Statement from the contractor, signed under penalty of perjury, of costs paid/incurred and allocated to applicant's project
- Evidence of the costs paid/incurred by the contractor such as invoices or other financial records

For Applicants Electing "Physical Work of a Significant Nature" — All applicants must document the physical work. Required documentation includes:

- A written report from the project engineer or installer signed under penalties of perjury describing the project's eligibility and the work that has commenced
- Detailed construction schedule
- Evidence that eligible work has commenced including invoices for work performed
- Photographs of the physical work (optional, but may be helpful in the review process)
- For projects with an estimated cost basis of \$1 million or more, a written report, signed under penalty of perjury, from an independent engineer describing the project's eligibility and the work that has commenced

Applicants Relying on Physical Work Commencing Under a Contract Must Also Submit

- A copy of the binding written contract
- Statement from the contractor, signed under penalty of perjury, describing the work that has commenced and certifying that the work commenced pursuant to the binding written contract and is on eligible property for the applicant's project. This must include a detailed description of both the nature of the work in total, as well as what work has taken place

If you require more uploads than this form provides, supplement these with the "Add/Modify Supporting Documentation" function under the Application Package Control Panel for this application when finished.

Attached is documentation to establish 5% safe harbor:

Attached is documentation to establish physical work of a significant nature:

Section 7. Signature of Applicant

7A. Under penalties of perjury, I declare that I have examined this application, which includes any application submitted using the same Treasury Identification Number for the purpose of demonstrating that construction began on the property in 2009-2011, and to the best of my knowledge and belief, it is true, correct, and complete. I declare that I am the applicant or an authorized official for the applicant. Further, I agree the information in this application can be disclosed to the Internal Revenue Service.

First Name:

Last Name:

Title:

Phone: 000 000 0000

Email:

Signature (enter your password):

Entering your password has the same legal effect as your handwritten signature.

[Submit application](#)

[Print without submitting](#)

The National Renewable Energy Laboratory is providing technical assistance for Section 1603 applications on behalf of the U.S. Treasury Department

NREL is a national laboratory of the U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, operated by the Alliance for Sustainable Energy, LLC

Content Last Updated: April 04, 2012

[Security & Privacy](#) | [Disclaimer](#) | [NREL Home](#)

This Web site is [powered by renewable energy](#).