

# Overview and Status Update of the §1603 Program

February 25th, 2011

**This document provides a brief overview and status update of the §1603 *American Recovery and Reinvestment Tax Act* (ARRTA) program administered by the Department of Treasury in conjunction with the Department of Energy (DOE).**

## 1 Overview

The §1603 program offers renewable energy project developers cash payments in lieu of the investment tax credits (ITC).<sup>1</sup> The value of the awards are equivalent to 30% of the project's total eligible cost basis in most cases. Qualifying technologies include:

- biomass
- combined heat and power
- fuel cells
- geothermal
- incremental hydropower
- landfill gas
- marine hydrokinetic
- microturbine
- municipal solid waste
- solar
- wind

**As of February 25, 2011,**

- total number of projects funded = 7180
- total §1603 funding = \$6.4 Billion
- total private and federal investment in §1603 projects = \$21.6 Billion
- total installed capacity of funded projects = 9.7 GW
- total estimated electricity generation from funded projects = 24.4 TWh

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<sup>1</sup>An additional provision of ARRA allows project developers who are eligible for the production tax credit (PTC) to instead elect to receive the ITC or an equivalent cash grant.

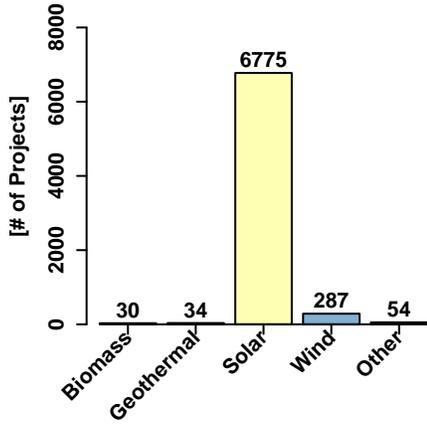


Figure 1: Number of projects by type

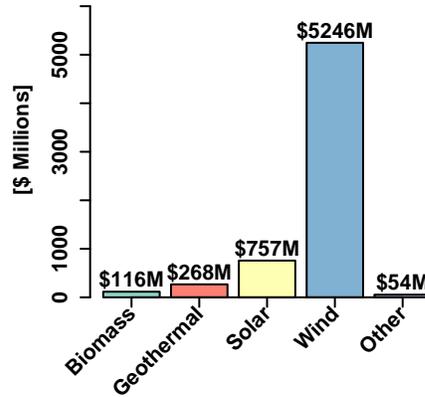


Figure 2: Awards by project type

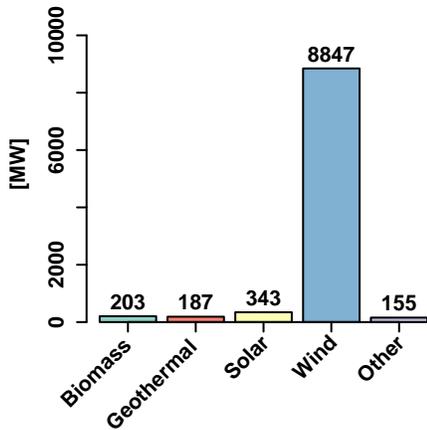


Figure 3: Generation capacity by project type

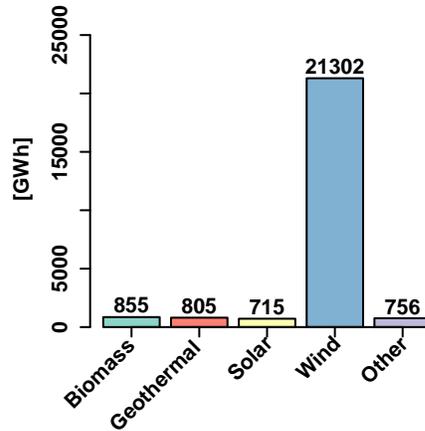


Figure 4: Estimated generation by project type

## 2 Geographic Distribution of Projects and Funds

Solar projects make up the large majority of funded projects, thus the geographic distribution of all projects is driven by the location of solar projects. Therefore, we find the majority of projects located in regions with strong solar resources (CA, AZ, etc.) and/or robust solar incentives (NJ, NY, RI, MA, etc.). In contrast, wind projects make up the majority of total capacity of §1603 projects and thus the distribution of total capacity is driven by the location of wind projects (TX, IL, OR, etc.).

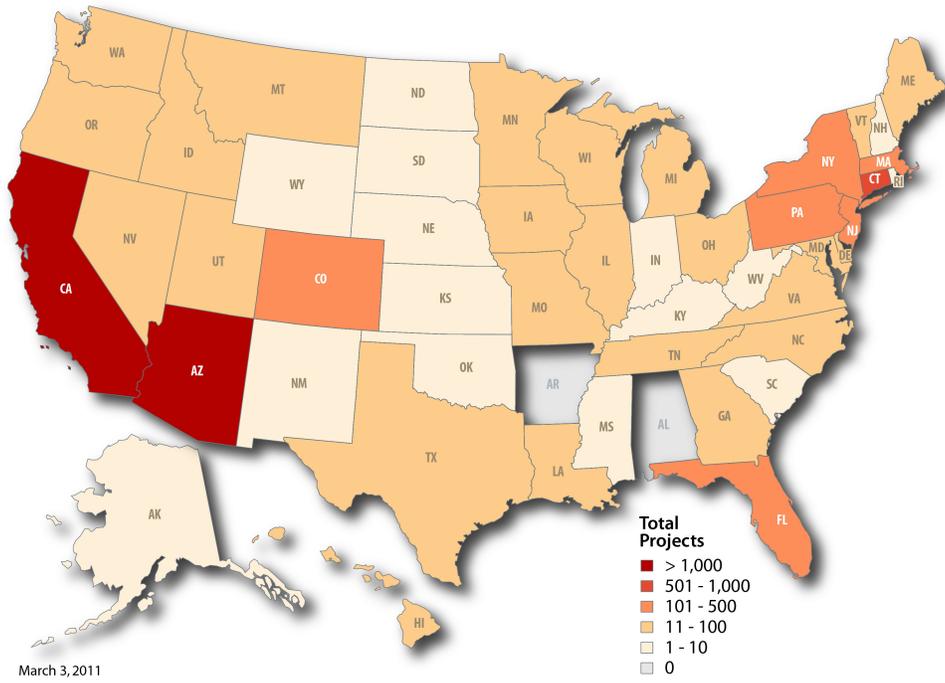


Figure 5: Total number of funded projects by state

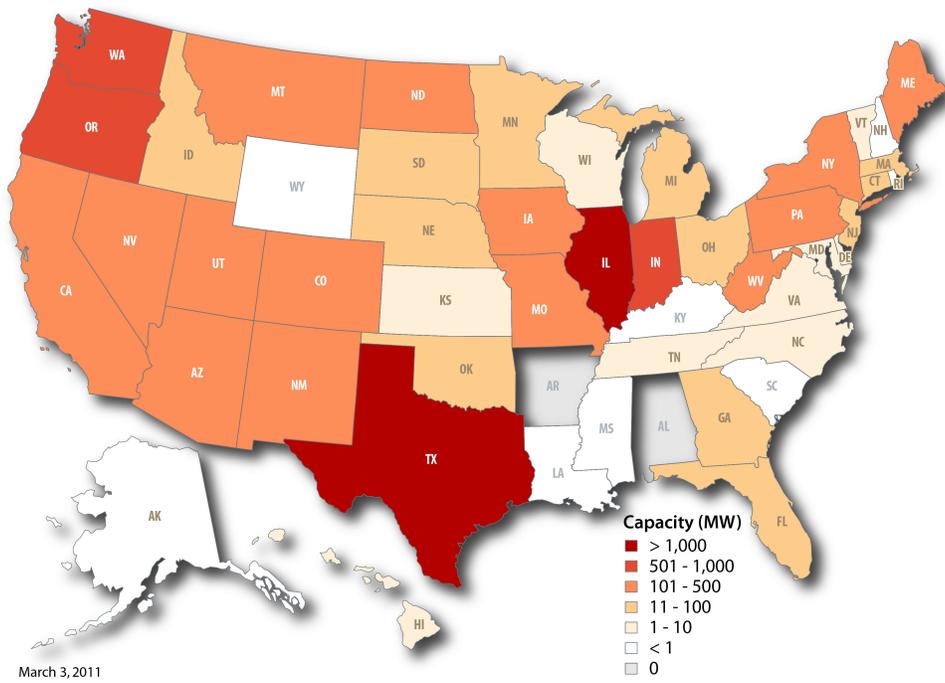


Figure 6: Total capacity of \$1603 projects by state



Table 1: Summary of the §1603 Program by State

State	Total Funding [\$Millions]	# of Projects	Installed Capacity [MW]
Alabama	\$ -	-	-
Alaska	\$ 0.65	2	0.90
Arizona	\$ 107.59	1003	147.61
Arkansas	\$ -	-	-
California	\$ 444.54	3168	331.07
Colorado	\$ 154.06	349	209.91
Connecticut	\$ 26.61	667	14.47
Delaware	\$ 3.53	30	2.89
District of Columbia	\$ 0.14	7	-
Florida	\$ 202.63	138	55.91
Georgia	\$ 12.67	38	22.30
Hawaii	\$ 12.50	59	5.46
Idaho	\$ 44.53	21	90.41
Illinois	\$ 681.06	37	1130.15
Indiana	\$ 345.69	9	606.86
Iowa	\$ 277.67	51	491.90
Kansas	\$ 1.40	9	1.96
Kentucky	\$ 0.03	2	0.01
Louisiana	\$ 0.26	27	0.12
Maine	\$ 107.10	18	185.09
Maryland	\$ 3.88	30	2.61
Massachusetts	\$ 27.31	243	16.54
Michigan	\$ 34.08	31	50.00
Minnesota	\$ 46.63	61	76.26
Mississippi	\$ 0.16	3	0.25
Missouri	\$ 195.34	18	297.90
Montana	\$ 68.83	13	120.03
Nebraska	\$ 44.79	2	60.00
Nevada	\$ 122.53	11	121.36
New Hampshire	\$ 0.61	5	0.32
New Jersey	\$ 102.39	337	59.84
New Mexico	\$ 54.46	9	100.23
New York	\$ 313.88	143	481.43
North Carolina	\$ 11.39	34	8.58
North Dakota	\$ 159.29	5	301.04
Ohio	\$ 14.01	52	46.69
Oklahoma	\$ 52.29	5	98.92
Oregon	\$ 347.93	85	644.90
Pennsylvania	\$ 268.58	197	364.70
Puerto Rico	\$ 2.02	13	1.04
Rhode Island	\$ 0.16	1	0.10
South Carolina	\$ 0.22	6	0.08
South Dakota	\$ 54.67	5	99.20
Tennessee	\$ 3.90	33	1.82
Texas	\$ 1380.98	58	2446.89
Utah	\$ 153.65	11	213.73
Vermont	\$ 2.39	13	1.54
Virginia	\$ 2.30	21	2.28

Washington	\$	473.47	24	716.84
West Virginia	\$	68.61	1	100.50
Wisconsin	\$	7.64	73	2.83
Wyoming	\$	0.03	2	0.01
<b>Totals:</b>	<b>\$</b>	<b>6,441.05</b>	<b>7180</b>	<b>9,735.50</b>