

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

This is one of two parts of the application package for payment under the Section 1603 program. The other document is the signed Terms and Conditions. All applicants must submit this application form before October 1, 2011. Applicants who place a qualified property in service during 2009 or 2010 should submit the application form and the Terms and Conditions form at the same time after the property has been placed in service. Applicants who have begun construction of a qualified property during 2009 or 2010 and have not yet placed the property in service by the date of application, should submit only this application (not the Terms and Conditions) before October 1, 2011 to demonstrate that construction began during 2009 or 2010. Once the qualified property is placed in service, the applicant should submit both an updated application form and the signed Terms and Conditions document, indicating the identification number (issued by Treasury) of the applicant's preliminary submission.

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.

### 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 <u>not</u> 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** – check the appropriate box.

	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** – check the box or boxes which describe 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. \* Either a City or County is required.

	Property is located outside of 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	
*City:		State Address 2 (optional)	
*County:		State	
Zip Code:			

**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. If property is not yet placed in service, skip to Section 2D below.

	Property has been placed in service – enter date(s) then skip to Section 3 below. Date (for multiple units, first property): Date (optional – for multiple units, last property):
	Property has not yet been placed in service – skip to Section 2D below.

**2D. Date Construction Began** – for properties not yet placed in service, 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.
	Construction of the property has not begun – do not continue with this application.

**2E. Expected Placed in Service Date** – for properties not yet placed in service, enter the anticipated date when the property will be placed in service. See Program Guidance for dates by which specific properties must be placed in service to be eligible for Section 1603 funds. Do not continue with this application if the property will be placed in service within 90 days; rather, return after the property is placed in service and choose "Property has been placed in service" under Section 2C.

	Anticipated date the property will be placed in service.
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**2F. Narrative Description of Beginning of Construction**– for properties not yet placed in service, describe what construction activities have taken place. Limit to 2,500 characters.

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### Section 3: Applicant Information

**3A. Applicant** – enter information about the entity that placed the property in service/began construction. If applicant did not or will not originally place the property in service do not continue with this application.

Business name:		Street address 1:	
Phone number:		Street address 2:	
Employer Identification Number (EIN): (do not enter a Social Security number)		City:	
DUNS number:		State:	
Website address (optional):		Zip Code:	

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

First Name:		Last Name :	
Organizational affiliation:		E-mail address:	
Phone:		Fax:	

**3C. Previous Applications** – check the box indicating whether an application has previously been submitted for Section 1603 payments for this property or property at this same location.

	No application(s) submitted previously for Section 1603 payments for this property.
	Application(s) has been submitted previously for this property or property at this same location; enter Treasury application number (TAN) from previously submitted any application(s).

### Section 4: Property Description

**4A. Specified Energy Property** – check the box or boxes which 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 box 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 <u>or</u> 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 <u>and</u> 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 <u>and</u> an electricity-only generation efficiency of not less than 26% at International Standard Organization conditions

	<p>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:</p> <ol style="list-style-type: none"> <li>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)</li> <li>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).</li> <li>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: _____%.</li> <li>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).</li> </ol>
	<p>Small wind energy property – uses a turbine with nameplate capacity of not more than 100 kW to generate electricity.</p>
	<p>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.</p>

**4B. Narrative Description of Property** – give a summary description of the property that is suitable for publication. Limit the summary to 2,500 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** - enter information in one of the two boxes to describe how the energy produced is being/will be used.

<p>Energy produced has been/will be sold. Enter the name and address of the buyer. Limit to 500 characters.</p>	
<p>Energy produced has not been/will not be sold. Describe how it is/will be used. Limit to 2,500 characters.</p>	

**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. For properties not yet placed in service or that have not operated for a full year, 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		must specify whether kW, MMBTU/hr, or hp	MMBTU/hr
Estimated annual production		must specify whether kWh, MMBTU, or hp	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)		
Part-time jobs (less than 35 hours per week)		

## 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 correct percentage to apply. For properties not yet placed in service, skip to Section 6B. 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, enter an amount equal to \$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, enter an amount equal to \$200 times the number of kW of capacity

	Qualified cost basis as shown in supporting documentation
	Applicable percentage (enter either 30% or 10%)
	For fuel cell property: If property has less than _____kW of capacity enter capacity here:
	For microturbine property: If property has less than _____kW of capacity, enter capacity here:

**5B. Request for Payment** – from the calculation in 5A, enter the amount of request for payment. For properties not yet placed in service, skip to Section 6B.

	Amount of request for payment
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**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 that 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. For properties not yet placed in service, skip to Section 6B. Note: An applicant may add additional documents or replace documents as needed using the "Add/modify supporting documentation" option in the main menu of the on-line application for up to 3 days after submitting the application.

**ACCEPTED FILE TYPES:** Office (pre-2007 doc, xls), postscript (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.)

### **ELIGIBLE PROPERTY:**

- Design plans – final engineering design documents, stamped by a licensed professional engineer.
- Nameplate capacity – design plans, commissioning reports, or OEM/equipment vendor specification sheets demonstrating that the property meets the required minimum or maximum nameplate capacity (see Section 4A of the Application for properties with minimum or maximum nameplate capacity requirements).

### **PLACED IN SERVICE:**

- Commissioning report – report provided by the project engineer, equipment vendor, or independent third party that certifies that the equipment has been installed, tested, and is ready and capable of being used for its intended purpose.
- Interconnection agreement – a formal document between the applicant and the local utility that establishes the terms and conditions under which the utility agrees to interconnect with the applicant's system. Applicants must also submit any subsequent documentation to demonstrate that the interconnection agreement has been placed in effect. Systems not connected to a utility are required to submit additional documentation, including approval from a building department official or other local agency with jurisdiction.

### **COST BASIS:**

- Detailed breakdown of all costs included in the cost basis – a detailed cost breakdown should separately itemize costs for equipment, labor, installation, engineering, permits, and other project cost items to be included as the eligible cost basis.
- For properties that have a cost basis in excess of \$500,000 attach the Independent Accountant Certification attesting to the accuracy of all costs claimed as part of the basis of the property.

### **APPLICANT THAT IS A LESSEE:**

- If applicant is a lessee, attach the Owner's Waiver containing all six elements described on page 17 of the Program Guidance.

### **APPLICANT THAT IS A LESSEE, LLC, PARTNERSHIP, or PASS-THROUGH ENTITY:**

- If the applicant is a lessee, LLC of a parent company, partnership, or a pass-through entity, please attach supporting documentation indicating the applicant's interest in the property which indicates the business structure as well as the applicant's relationship to any other parties with a direct interest in the property (i.e., property owner or parent company).

### **OTHER:**

- Please attach any additional 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 is attached.
	Attached is documentation to support costs:
	Attached is documentation to establish that property is placed in service:

	Attached is owner's waiver, if applicant is a lessee (as indicated in Section 1B):
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**6B. Documentation for Properties Not Yet Placed In Service** – for properties not yet placed in service attach documentation to establish that construction has begun. See Program Guidance for information on acceptable documentation to establish that construction has begun.

**ACCEPTED FILE TYPES:** Office (pre-2007 doc, xls), postscript (pdf), and plain text (txt) formats. Limit total size of all files to 100 MB or less.

Supporting documents requested for properties not yet 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.)

**UNDER CONSTRUCTION BUT NOT YET PLACED IN SERVICE:**

- Paid invoices and/or other financial documents demonstrating that physical work of a significant nature has begun on the property.
- Binding contract for the manufacture, construction or production of the property as described in Section IV.C of the Program Guidance (required for property not yet placed in service that is being manufactured, constructed, or produced for the applicant by another person).
- Safe harbor – if beginning construction is based on the safe harbor, the financial documents must demonstrate that more than 5 percent of the total cost of the property (excluding the cost of any land and preliminary activities such as planning, designing, securing financing, exploring, or researching) has been incurred or paid by the applicant.

**OTHER:**

- Please attach any additional 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 establish that construction has begun.
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**Section 7. Signature of Applicant**

Under penalties of perjury, I declare that I have examined this application 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	
Email		Signature*	

\*In the on-line application, entering the applicant's password to the on-line application has the same legal effect as the applicant's handwritten signature.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0221. The time required to complete this information collection is estimated to average 2 hours per response, including the time to review instructions, search existing data resources, gathering and maintaining the data needed, and completing and reviewing the collection of information.