

Energy Policy Act of 2005 (EPAAct)

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Customers can consult The SEIA Guide to Federal tax Credits for Solar Energy, a 40-page manual produced by the Solar Energy Industries Association. "The passage of the solar tax credits was an historic moment for solar energy development in the United States. Already, the tax credits are encouraging states and private industry to invest in solar power, fueling market growth and making solar more affordable for more Americans. This tax manual provides guidance for solar companies and consumers to fully utilize the federal incentives." Rhone Resch, President of SEIA (www.seia.org).

Amongst the many provision in the EPAAct were; increased loan guarantees for innovative technologies in the field of renewable energy, increased coal use in the US, it increased the amount of biofuel mixed with gasoline, it authorized subsidies for wind power and for the first time recognized wave and tidal power. The act also requires the US Department of Energy to study natural energy sources as well conducting a study on demand response. It extended daylight savings time by four weeks, provided incentives to companies drilling in the Gulf of Mexico, and banned drilling under the Great Lakes. The bill did not contain provisions for drilling in the Arctic National Wildlife Refuge (ANWR) in Alaska.

For homeowners, the EPAAct offered an additional tax credit of 10% for exterior window replacement, insulation systems that reduced heat loss and exterior doors. Circulating fans warranted a \$50 credit, gas, propane, or oil furnaces and hot water heaters were given a \$150 credit and \$300 was given to other qualifying items of improved efficiency.

Many of the provisions listed in the EPAAct expired December 31, 2007. Expenses incurred while making environmental improvements on windows, doors, HVAC systems, insulation and non-solar water heating systems are no longer qualified for those tax credits. However, solar powered water heaters do qualify until December 31, 2008.

In February of 2008 the House passed an \$18 billion energy efficiency incentive plan, which was similar to the one that expired in 2007. The Senate and the president must still approve it.