

Renewable Energy for the Small Business

Small business owners across America are recognizing the financial incentives of converting to renewable energy sources. The Energy Policy Act of 2005 (Eact) provides incentives in the form of tax credit to individuals purchasing and installing solar equipment. Purchases made between January 1, 2006 and December 31, 2008 may qualify for tax credit in the form of a dollar-for-dollar reduction in tax liability.

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Additionally The Database of State Incentives for Renewable Energy (DSIRE) provides an accurate and comprehensive listing of incentive programs from state and federal agencies, offering financial incentives to users. It also lists required technologies for qualification as well as links to legislative actions, tax rebates, low-interest loans, and grants. It's an invaluable resource to the customer in determining which incentive program they may qualify for. With so many financial incentives available it's not surprising the small business owner is jumping on board.

And, there is also a tax deduction for energy-efficient commercial buildings that reduce annual energy and power consumption by 50 percent compared to the American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) 2001 standard; (www.cnn.com)

However, there are still more incentives. Many of the national retail chains now require the smaller supply chain partners to adopt more environmentally friendly practices. By doing so these small-business owners not only guarantee continued partnerships, but also can often facilitate new ones. Additionally, the eco-friendly consumer is much more educated on the subject today and will often seek out the businesses using renewable power sources and environmentally friendly materials for their shopping needs.

Small businesses report savings of 20% to 30% by making energy-saving moves, and "As energy and gasoline prices rise, small businesses can voluntarily and profitably lower their energy bills." Says Byron Kennard, executive director for the Center for Small Business and the Environment. The US Department of Energy and the Environmental Protection Agency both offer resources to small businesses.

The benefits to the small business owner don't just include tax credits and increased sales from eco-conscious clientele. By converting to a renewable energy source they save money on daily operational costs. Solar power provides energy for lights and air, security systems, equipment and communications. The solar powered hot water units could save thousands of dollars in a restaurant that uses hot water for both cooking and cleaning. With a small business, where operating costs can cut so deeply into profits, a self-sufficient renewable energy source could truly mean the difference between failure and success.