



# Incentive Status

## *What's Changing and What's Not.*

A lot of people have been asking us what incentives are still in place for 2012. The answer: All of them. While there were a few changes in 2011, the majority of programs that will impact the average homeowner remain the same. Here is an overview...

30% Federal Tax Credit is still available. Now it applies to your 2012 taxes. It is a credit, not a deduction. If you buy a \$10,000 solar system, you can write off \$3,000 from your taxes owed. Don't pay enough taxes to get the full amount back? You can take up to 5 years to claim the full amount. Application is simple, just fill out IRS form 5695 and submit it with your tax returns (this applies for the 2011 tax year as well.). This is for Electric Solar Systems and Solar Hot Water. **The current expiration date is 2016.**

Production Incentive is still available. This is the payment the utility makes to you for all the power you produce, whether you use it or it goes back out to the grid. They pay you up to 54 cents per kWh, up to \$5,000 per year. This payment comes to you once a year in the form of a check from the utility. This is for Grid Tied Electric Solar Systems. **The current expiration date is 2020.**

Net Metering is still in place. This is the credit the utility gives you for the electricity you send back to your neighbors. When a solar electric system is installed, we change out your current meter for a bi-directional meter, so it keeps track of what is coming and going. On your utility bill, there will be a credit for the power you send back. This is for Grid Tied Electric Solar Systems.

Reduced Sales Tax changed a little in 2011. Now the way it works is...systems under 10kw are sales tax exempt. No sales tax is ever paid. On systems larger than 10kw sales tax is paid up front, and you can then apply for a 75% sales tax credit. It is very rare that a residential system is larger than 10kw, so most of you are not impacted by this. This is for Electric Solar Systems. **The current expiration date is 2013.**

Accelerated Depreciation is for businesses. 50% of the system cost can be depreciated in the first year, and the remainder over the following 4 years. That is 5 years to 100% depreciation. This is for Electric Solar Systems and Solar Hot Water.

What does this mean for you? Solar isn't like a cell phone, a computer, or a DVD player, the next great thing doesn't make this year's model obsolete. There are no major advances on the horizon, and while prices are coming down, it is happening at a fairly slow pace. What are we saying? Now is the time to buy. The sooner you buy solar, the more incentives you earn before the laws expire. So while you might pay \$5 less a panel in 5 years, you just lost 5 years of production and net metering incentives, and the tax credit will be gone.

Want to see your numbers? When we perform a Solar Site Survey, your bid includes a custom calculated payback analysis. Call to schedule today!

**2012 is the year to *Go Solar!***



## ***South Sound Solar is Sponsoring: Local Energy Convergence***

**Jan 30<sup>th</sup> at the Olympia Center**

1:30-4:30 p.m. – \$30 per person

*Harness local energy to help grow your business.*

Meet fellow business owners to learn how they decreased costs and increased their profits through energy efficiency and sustainable practices. Tap local resources to help your business grow – lending institutions, government agencies, utilities, technical assistance, non-profit organizations and more.

**Guest Speakers include:**

**Jessica Jensen, Jessica Jensen Law**

**Jayne Kasynski, Olympia Food Co-op**

**Renee Ries, Fairchild Record Search**

**PLUS – Resource Tables to help you save energy and save money**

**THEN – Stay for the Local Energy Celebration!**

Meet current and future customers among Thurston Energy and Buy Local South Sound's guests to celebrate the energy efficiency and renewable energy accomplishments of the past year.

More information Online:

<http://localenergynow.org/>

## **Solar Hot Water**



Solar hot water is the most efficient form of solar for our climate. It doesn't require direct sunlight, it is easy to integrate into an existing water heating system, and it is really cost effective. While it doesn't have the same incentives as solar electric, the financial savings are huge.

Water heating is the 2<sup>nd</sup> largest energy user in the average home, accounting for 30% of the average homes utility bills. Our solar systems can take care of 60-70% of your annual hot water usage. That's some pretty big savings.

Our solar hot water systems, like our solar electric, are made in the USA, are the highest quality, and are custom designed. Unlike solar electric, which can be sized entirely on budget, solar hot water needs to be sized for the usage. Too small of a system and there isn't enough water, too big of a system and the system can overheat. That is why it is really important to make sure the system is correctly sized.

Our Solar Hot Water Systems start at \$8,000 before the 30% federal Tax credit. Call to schedule a Site Survey!



## **Solar in the Community**

Oldschool Pizzeria, located in Downtown Olympia on Franklin St, has gone green with a Solar Hot Water System. With pizzas like "The Tree Hugger" we knew it was only a matter of time before this local restaurant took the next step towards a greener Olympia. And we are glad they did. Until now, our company lunch spot has been Eastside Big Tom, who installed solar hot water in 2010. We love solar burgers, but solar pizza will be a nice addition to our diet.