

Solar Energy Incentives

Scottsdale/Phoenix Metro Region

Utility Incentives

APS – Solar Partner Incentive Program

Applies To: Residential customers of APS

System Type: Photovoltaic (solar electric), and solar thermal water heating systems (SDHW), for on and off grid residential systems.

APS customers can receive a rebate of \$3 for each DC Watt of rated solar electric power (DC watts) installed in a grid-tied application (or 50% of the total system cost – whichever is less) up to 10,000 Watts. For an off-grid application the rebate is \$2 for each DC Watt of rated solar electric power up to 5,000 Watts. You must be an existing APS customer or your property must be located in APS service territory. A licensed electrical contractor must install the system in order to qualify for the incentive.

New solar water heater installations must meet OG-300 ratings. Systems cannot exceed 10,000 kW hours per year. Payment is based on a system's yearly kW hour rating of 0.50 cents per kW hour.

Customer receives payment directly from APS or can assign it over to the installer once the system has been activated. Funding is limited and a reservation process is in place to guarantee funds for those customers pursuing projects. Projects must be installed within 180 days of acceptance by the utility.

For more information visit - http://www.aps.com/my_community/Solar/eps.html

SRP – EarthWise Solar Energy Program

Applies To: Residential customers of the SRP

System Type: Photovoltaic (solar electric), and solar thermal water heating systems (SDHW), for on and off grid residential systems.

SRP customers can receive a rebate of \$3 for each DC Watt of rated solar electric power (DC watts) installed in a grid-tied application (or 50% of the total system cost – whichever is less) up to 10,000 Watts. For off-grid application the rebate is \$3 for each DC Watt of rated solar electric power up to 10,000 Watts. A licensed electrical contractor must install the system in order to qualify for the incentive.

New solar water heater installations must meet OG-300 ratings. Systems cannot exceed 10,000 kW hours per year. Payment is made on a systems yearly kW hour rating of .50 cents per kW hour.

Customer receives payment directly from SRP once the application has been processed and approved. Funding is limited and a reservation process is in place to guarantee funds for those customers pursuing projects. Projects must be installed within 180 days of acceptance by the utility.

For more information visit - <http://www.srpnet.com/environment/earthwise/solar/default.aspx>

Government Incentives

State of Arizona – Personal Income Tax Credit

Applies To: Retail sale of solar-electric systems used in residential applications

System Types: Any solar energy devices including systems or series of mechanisms which collect and transfer solar generated energy.

Amount: 25% of system cost; to a \$1,000 maximum; one-time use per house. Unused credits carry forward up to 5 years.

For more information visit - <http://www.revenue.state.az.us/brochure/543.pdf>

State of Arizona – Sales Tax Exemption

Expenditures for Solar Energy Devices are now exempt from Arizona State Sales Tax. (Arizona House Bill #2429 - <http://www.dsireusa.org/documents/Incentives/AZ08F.pdf>)

Note: Municipalities do not exempt solar energy devices from sales tax.

State of Arizona - Solar Energy Property Tax Exemption

Solar Energy Devices add zero value to property value for property tax assessment purposes. (Arizona House Bill #2429, page 25 lines 16-18, see link above).

Federal Tax Credits – Personal Income Tax Credit

Applies To: Residential Properties

System Types: Solar Hot Water, Photovoltaic (Solar Electric), and Fuel Cells

Amount: 30% of a system cost up to \$2,000 for Solar Hot Water and Solar Electric, up to \$500 for Fuel Cells. Unused credits can carry forward to succeeding tax year.

Solar hot water heating must provide at least 50% of annual hot water needs. Not to be used for Hot Tubs or Swimming pools. Solar Hot Water systems must be OG-300 certified in Arizona.

This credit can be used for multiple system types such as solar hot water and solar electric systems. Unless there is congressional action, this credit will expire on December 31, 2007

For more information visit - <http://www.dsireusa.org/documents/Incentives/US37F.pdf>

For Solar Energy resources, visit the AZ Solar Center web site – www.azsolarcenter.com

rev. G. Sutton 9/25/06