

Georgia Legislature Enhances Clean Energy Tax Credit Program

On April 14, 2011, the General Assembly of Georgia passed House Bill 346 (“the Bill”) doubling the annual allotment of the Clean Energy Property Tax Credit (“the Credit”) to \$5 million, extending the Credit’s availability through 2014, and establishing a priority waiting list for applicants. The Bill enjoyed a broad base of support from the Georgia Solar Energy Association, economic development interests, as well as businesses and individuals who recognize the importance of a vibrant solar industry to the State of Georgia. Governor Deal signed the legislation into law on May 11, 2011.

Expansion of the Credit

The Georgia Clean Energy Property Tax Credit was initially enacted in 2008 and provides a 35% credit against a company’s income tax liability. Until now, the annual statewide cap for the Credit was \$2.5 million. The Bill increases the annual cap to \$5 million, extends the period covered by the Credit through calendar year 2014 and establishes a priority waiting list concept for applicants as described below. The Credit is spread over four years in equal increments and may be carried forward to the extent a company does not have sufficient taxable income to utilize the credit in any given year. The new cap will support over \$14 million of clean energy projects annually vs. approximately \$7 million under the previous cap.

Priority Waiting List

The Bill also establishes the concept of a priority waiting list in the event that the \$5 million cap is exceeded in any given year. An applicant who files for the Credit in a year in which the cap has been exceeded will be placed on a priority waiting list and will be able to file for the credit in the first 30 days of the next calendar year. Applicants will be placed on the waiting list based on the date of the first application. This methodology represents a change from the current system which effectively pro-rates the credit among applicants who file in a year in which the cap has been exceeded.

Act Now to Maximize Project ROI

The expansion of the Credit creates greater certainty that an applicant will receive credit in the year in which they apply. The priority waiting list further increases the likelihood that an applicant will receive the credit in future years should the \$5 million cap be exceeded in the year they apply. When combined with the Federal incentives available for Solar Photovoltaic and Solar Hot Water projects (30% cash grant and 100% first-year bonus depreciation), the Georgia Credit provides very compelling economics for installations completed in 2011. Because some Federal incentives are slated to expire at the end of 2011 and the Georgia Credit is allocated on a “first-come, first-served” basis, FCE recommends acting now to take advantage of these strong incentives.

About First Century Energy

First Century Energy Holdings, Inc. (FCE) is a holding company focused on development and integration of commercial and utility-scale renewable energy projects. FCE operates through wholly-owned subsidiaries SolAmerica™, LLC, First Century Energy Services, LLC and First Century Energy, LLC in key vertical segments of the renewable energy sector such as solar PV, solar hot water, wind and biomass. Within each of these sectors, FCE provides turnkey solutions for manufacturing firms, owners of industrial real estate, distribution and data centers, government, education and medical and hospitality sectors to deliver efficient, cost-effective clean energy solutions.

More information can be found at:

www.firstcenturyenergy.com