

## Incentive Types

Type of Funding	Description	When Funding Available	Taxable?
<b>Subsidies</b>			
Grants	Fixed, competitive bids amount of funds. Pays for portion of eligible investments. Funds R&D, manufacturing, workforce development, and project commercialization, manufacturing startups. May include planning, design, technology supply, installation, commissioning and other costs.	Funding may be paid up front or as progress payments.	No
Discretionary Grant	Competitive selection, based on qualifications, eligibility, evaluation and department priorities and policies		
Formula Grants	Funding is proportioned base on formulas in statute. Example - each state is allocated a % of funding based on population.		
Rebates	Pays for portion of eligible investments. Rebates often first come first served and with funding caps. May include planning, design, technology supply, installation, commissioning and other costs.	Refunded after purchase of installation completed	Maybe
Vouchers	Pays for portion of eligible investments up front. Typically applies to purchase of goods.	Time of purchase.	Maybe
<b>Tax incentives</b>			
Performance based	Federal tax credits for producing clean energy	After operational and energy production is validated	No
Investment based	Federal tax credits for Investing in clean energy	After operational and technology operation is validated	No
Personal taxes	Federal tax credits for individuals investing in clean energy	After purchase, apply with personal taxes	No
Commercial taxes	Federal tax credits for commercial entities investing in clean energy	After purchase, apply with corporate taxes	No
Direct fees for NFPs	Federal tax credit equivalences for non-tax paying entities (e.g. municipalities)	After purchase, apply to IRS	No
Workforce Development	Federal tax credits to employers who hire eligible candidates	After hiring	No
Manufacturing	Federal tax credits for businesses opening up new production facilities	After startup	No
<b>Green Credits</b>			
Renewable Energy Credits (RECs)/ Solar RECS	Credit for generating clean energy. Funded by ratepayers.	Small scale solar: At time installation is complete- 15 years worth of RECs. Larger scale paid annually	No
Renewable Index Number (RIN)	Credit for producing clean alternative fuel (RNG, biofuels, H2)	Petroleum companies provide funding	
<b>Financial</b>			
Loan Programs	Secure and favorable term (APR, duration) loans		Maybe
Accelerated depreciation	Ability to depreciate investment over short time frame		No
<b>Energy Programs</b>			
Net Metering	With solar power, the utility meter charges for the net amount of electricity used. When solar energy exceeds the rate of consumption in the facility, the electrons go back to the grid and the facility gets credit.	Whenever the sun is shining	
Demand Response	Customer agrees to curtail use of larger energy consumers during peak usage period and gets financial consideration		
Watt hour programs	Bill payment program based on watt-hour only, No demand charges.		
Time of use programs	Cost of electricity variable as function of time of day and cost of power generation.		

Table 1: Types of Incentives, provided by Green Ways 2Go