



New Found Energy

Incentives: Solar Electric Systems-New York

New York State recognizes the many benefits of Solar Electric Systems and has implemented several incentive programs to reduce the barriers to installing these systems. This includes the Net Metering Law, newly revised Tax Credits and NYSERDA Rebates. Together, their incentives can total 50%-70% of the system price.

Net Metering

The "Solar Choice Act of 1997" provides for net metering of residential photovoltaic systems. This law was a crucial starting point, giving residential electric customers the right to "sell back" excess solar electricity they produce.

Residential customers with 10 kW or smaller solar electric systems are now entitled to **TURN THEIR ELECTRIC METERS BACKWARDS** when their solar systems are generating more electricity than is being consumed. The customers pay for only the **NET** amount of electricity they buy from the utility. That is electricity used minus electricity generated equals electricity you are billed for. You end up being **PAID** when you generate excess electricity. The utility company purchases your excess electricity at the same price that you buy it from them.

In August 2008, Governor Paterson signed a series of bills to allow commercial net metering installations across New York State. The applicable legislation, which was enacted as Senate Bill 7171, allows net metering for commercial, Non-profit, and municipal systems up to 2 megawatts in capacity. It also increases the maximum system size for residential installations from 10 to 25 kilowatts.

Income Tax Credits

The Federal Income Tax:

Credits for solar have been extended and improved! As an extension of President Barack Obama's "Bailout Bill", there is no upper limit on residential solar systems. So 30% of the cost after any State tax credits and incentives can be taken directly off your Federal Income tax. The credit was extended until December 31, 2016.

New York State Tax Credits:

The credit, equal to 25% percent of the cost of equipment and installation The credit is capped at \$5,000 for solar-energy systems placed in service on or after September 1, 2006.

Any amount of credit that exceeds a taxpayer's liability in a given tax year may be carried forward for the five following taxable years. Any amount of the system cost provided by a grant from any source is not eligible for this credit.

****Solar-energy equipment is defined as "an arrangement or combination of components utilizing solar radiation, which, when installed in a residence, produces energy designed to provide heating, cooling, hot water or electricity." The credit may not be used for pool heating or other recreational applications.

Sales Tax Exemption:

New York enacted legislation in July 2005 exempting the sale and installation of residential solar-energy systems from the state's sales and compensating use taxes. The exemption does not apply to solar pool heating or other recreational applications. There does not appear to be an expiration date for this incentive.

The law allows municipalities the option of granting the local exemption. The New York Department of Taxation and Finance publishes a variety of [sales tax reports](#) detailing local tax rates and exemptions, including those for solar energy equipment. The solar sales tax list is updated several times per year.

State Rebates

Effective February 2, 2009, NYSERDA will be changing the incentives for the PV Incentive Program (PON 1050). The following incentive structure will be in effect for applications received after 5:00 PM on February 2, 2009:

Residential – \$3.00 per watt up to the first 4 kW and \$2.00 per watt after the first 4 kW up to a maximum of 8 kW per site/meter.

Commercial – \$3.00 per watt up to the first 40 kW and \$2.00 per watt after the first 40 kW up to a maximum of 80 kW per site/meter.

Not-for-Profit - \$5.00 per watt up to the first 25 kW up to a maximum of 25 kW per site/meter.

New York State ENERGY STAR® Labeled Homes and Building Integrated PV systems are eligible for a \$.50 per watt added to these above incentives.

Grants and Loans

In New York State *NYSERDA* manages the processing of all applications for these incentives. These incentives recently expired and we are awaiting an update on the government's plan to reissue these incentives.