Idaho State Biomass Policies and Instruments

- Biofuels Infrastructure Grant (Cost-Share and Grants)
- Residential Alternative Energy Tax Deduction (Tax Policy)
- Low-Interest Energy Loan Program (Financing)
- Renewable Energy Project Bond Program (Financing)
- Biofuel Fueling Infrastructure Tax Credit (Tax Policy)
- Renewable Energy Equipment Sales Tax Refund (Tax Policy)
- Renewable Energy Grant (Cost-Share and Grants)
- Fuels for Schools (Government Services)

Years: 2000-2013
Idaho State Biomass Policies and Instruments, 2000 – 2013

Tax Policy:

**Renewable Energy Equipment Sales Tax Refund**– Idaho offers a sales-and-use tax rebate for qualifying equipment and machinery used to generate electricity from fuel cells, low-impact hydro, wind, geothermal resources, biomass, cogeneration, solar and landfill gas. Purchasers qualify for a rebate only if the equipment is used to develop a facility or a project capable of generating at least 25 kW of electricity. To receive the rebate, the taxpayer must pay any sales and use tax on the purchase.

**Residential Alternative Energy Tax Deduction**– This statute allows taxpayers an income tax deduction of 40% of the cost of a solar, wind, geothermal, and certain biomass energy devices used for heating or electricity generation. Taxpayers can apply this 40% deduction in the year in which the system is installed and can also deduct 20% of the cost each year for three years thereafter. The maximum deduction in any one year is $5,000. The total maximum deduction is $20,000.

**Biofuel Fueling Infrastructure Tax Credit**– For taxable years beginning on or after January 1, 2007, and before December 31, 2011, and subject to the limitations of this section, a taxpayer who has placed into service a qualified investment after July 1, 2007, shall, in lieu of the investment tax credit provided in section 63-3029B, Idaho Code, be allowed a nonrefundable credit against taxes imposed by sections 63-3024, 63-3025 and 63-3025A, Idaho Code, in the amount of six percent (6%) of the amount of qualified investment as defined in subsection (2) of this section, and made during a taxable year, wherever located within this state. The credit allowed by this section shall not exceed fifty percent (50%) of the income tax liability of the taxpayer.

Market Activity:

**Idaho Net Metering (1997)** – Idaho does not have statewide net-metering rules. However, each of the state's three investor-owned utilities has developed a net-metering tariff that has been approved by the Idaho Public Utilities Commission (PUC). The framework of the utilities' net-metering programs is similar in that each utility: (1) offers net metering to customers that generate electricity using solar, wind, hydropower, biomass or fuel cells; (2) limits residential systems to 25 kilowatts; (3) limits aggregate net-metered capacity to 0.1% of the utility's retail peak generation in 2000; and (4) restricts any single customer from generating more than 20% of the aggregate capacity of all net-metered systems.

Disbursement(s):

**Low Interest Energy Loan Program** – The Idaho Office of Energy Resources administers low-interest loan programs for energy efficiency projects, and for active solar, wind, geothermal, hydropower and biomass energy projects. The interest rate is 4% with a 5-year repayment term. Loans are available for retrofit only, with the exception of some renewable resources. Amount: Residential: $1,000 to $15,000; Commercial: $1,000 to $100,000; Agricultural: Up to $100,000; Renewable Loans: Up to $100,000; Schools, Hospitals, Healthcare Facilities: Up to $100,000.

**Renewable Energy Project Bond Program**– This Act allows independent (non-utility) developers of renewable energy projects in the state to request financing from the Idaho Energy Resources Authority. The authority was created to finance the construction of electric generation and transmission projects by electric utilities. SB 1192 extended the financing opportunities to independent renewable energy producers that are not "qualifying facilities" under the federal Public Utility Regulatory Policies Act of 1978 (PURPA).

Government Services:

**Fuels for Schools**– Our mission is to facilitate and promote the beneficial use of woody biomass "waste" created by forest management treatments. Improved use of forest biomass has many benefits: improves air quality by reducing slash pile burning, lower land management costs, improve forest health and resilience, economically assist in protecting communities and watersheds from wildfire, provide low cost, locally sourced heating fuel, reduce fossil fuel consumption, and create rural jobs.
Cost-Share and Grants:

**Renewable Energy Grant** – Using revenues generated from the sales of Green Tags, Bonneville Environmental Foundation, a not-for-profit organization, accepts proposals for funding for renewable energy projects located in the Pacific Northwest. Any private person, organization, local or tribal government located in the Pacific Northwest may participate. Projects that generate electricity are preferred. Acceptable projects include solar photovoltaics, solar thermal electric, wind, hydro, biomass and animal waste-to-energy. If a BEF grant is requested for a generating project, the BEF share will not exceed 33% of total capital costs and 0% of operating costs.

**Biofuels Infrastructure Grant** – The purpose of this legislation is to provide grants for up to fifty percent (50%) of the cost of the project for Idaho retail fuel dealers who choose to invest in qualified fueling infrastructure projects dedicated to providing biofuels to their customers. Funds can be used for installing new fueling infrastructure dedicated to offering biofuels for retail sale, or for upgrading existing fueling infrastructure that is documented as being incompatible with biofuels, including cleaning existing storage tanks.

Rule and Regulations: