



BEHIND THE CURVE

Lee Peterson with Reznick Group warns that Georgia's energy-related economic development policies could be shackling progress.

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Georgia is falling behind the renewable energy curve

Despite available incentives, Georgia remains shackled to the past when it comes to energy-related economic development.

In anticipation of federal cap-and-trade carbon regulation, reducing energy costs while minimizing pollution-related liabilities is now mission-critical for commercial building owners. To smooth the transition, Congress is providing meaningful cash and tax incentives for efforts to increase commercial building energy-efficiency and generate renewable energy.

The U.S. Treasury is providing an estimated \$60 billion in federal loan guarantees to spur lending to large-scale renewables and is also providing unlimited federal grant money, in the form of cash payments to businesses covering up to 30 percent of the cost of commercial renewable energy. To create jobs and



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Lee J. Peterson

boost manufacturing, the Treasury offers \$2.3 billion in federal investment tax credits to manufacturers of green equipment. On top of that, you may add state and local benefits, as well as benefits from public utilities.

While the affordability and long-term cost-effectiveness of energy-related improvements is becoming a reality throughout the U.S., Georgia is falling behind the curve. Here, public policy is directly preventing hundreds of millions from commercial investment in Georgia, causing thousands of clean-tech jobs

to locate elsewhere.

This self-defeating, energy-related economic development policy appears to be largely attributable to Georgians being convinced that renewable energy somehow works everywhere else but the South. Unbelievably, many are convinced that Georgia doesn't have enough sun to

run a solar panel. This thinking appears to be due to decades of artfully crafted, half-accurate information being gently, but persistently, laid upon the minds of elected officials.

Despite clear precedent showing renewable energy works virtually everywhere else in the U.S., Georgia has mere tokens to show the rest of the nation. Yes, Georgia has a renewable energy tax credit and grant program. Each tightly restricted, severely capped, and set to expire. There are also a few noble and good, but nonetheless token demonstration projects. Georgia appears to be trying. However, the appearance is just that.

Much of the problem lays in the law. The constitution of Georgia contains provisions which in practice prohibit the state from entering into long-term energy savings performance contracts. Another law, the Georgia Territorial Electric Service Act, gives regulated utilities near-complete dominance to prevent large-scale private renewable energy from being sold

to otherwise eager and willing buyers. On the small commercial and residential scale, the Georgia Public Service Commission is prevented by state law from permitting all but the smallest renewable energy systems from feeding clean electricity to the public utilities.

Sadly, Georgia's governors and state legislators seem to accept that the alleged low cost of fossil- and nuclear-based electricity is more important to protect than the other equally and more compelling economic impacts offered by renewable power. As a result, Georgia now finds itself seceded from the Union as it relates to large-scale capital investment in important forms of renewable energy production and sadly remains shackled to the 20th century.

Peterson is a senior tax manager and attorney in Reznick Group's Atlanta office, specializing in alternative and renewable energy resource transactions. This year, he served as a key adviser on federal tax energy incentive credits.