

GREEN PATH

TECHNOLOGIES, Inc.

WHY 2011 IS THE BEST YEAR FOR COMMERCIAL PHOTOVOLTAIC INSTALLATION IN HAWAII



The cost of Photovoltaic (PV) Systems is highly subsidized by Federal, State, and County governments through tax incentives:

Federal:

30% Business Energy Investment Tax Credit
Bonus Depreciation + Section 179 Depreciation +
MACRS Depreciation

Hawaii State:

35% Solar Energy Tax Credit (with a cap of \$500,000
per system)

City & County of Honolulu:

Real Property Tax Exemption for 25 years

2011 IS THE BEST YEAR YET FOR COMMERCIAL PV INSTALLATIONS IN HAWAII DUE TO:

1. Section 707 of the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010 extends, for one year (sunset date December 31, 2011) Section 1603 **Federal Grant** in lieu of Tax Credit
2. Up to January 1, 2012 Federal law allows taxpayers to claim 50 percent of an asset's basis as "**bonus depreciation**" in the year the asset is placed in service. Taxpayers may then claim the regular depreciation amount on the remaining 50 percent of the asset's basis
3. Small Business Jobs Act of 2010 increased the amount claimed under Section 179 For qualifying property placed in service during the taxable years 2010 and 2011, the new law **increases the maximum amount of the deductible expense to \$500,000**
4. **Public Utilities Commission (PUC) has approved a Feed In Tariff (FIT) system** in the state where one can install a revenue producing Solar Farm on idle roof or land space and enter into a long term (20 year) contract with the utility, where the utility would purchase all the electricity produced at predetermined kWh rate.

PV modules are warranted for power output for 25 years with a design/useful life expected around 35 years.

In certain cases, a Commercial PV System installed in 2011, can expect a payback period of < 1 year.

*Neither GPT nor its employees are tax professionals. The tax information provided herein is provided as a guide only; please consult your tax advisor for professional guidance.

GreenPath Technologies, Inc. is a native Hawaiian owned and operated renewable energy firm committed to helping Hawaii reach their independence from fossil fuels. We provide the full scope of service for photovoltaic arrays including concept, design, analysis, engineering, financing, integration, installation and maintenance. Our team of experienced professionals and strategic partnerships have established a competitive edge that enables us to offer our clients smart solar strategies that deliver a total turnkey solution to increasing energy efficiency and renewable energy applications for commercial, government and non-profit institutions.