



COMPTROLLER  
*of* MARYLAND  
*Serving the People*

Peter Franchot  
*Comptroller*

David F. Roose  
*Director*

*Bureau of Revenue Estimates*

October 5, 2009

Honorable Martin O'Malley  
Governor of Maryland  
State House  
Annapolis, Maryland 21404

Honorable Thomas V. Miller, Jr.  
President of the Senate  
State House  
Annapolis, Maryland 21404

Honorable Michael E. Busch  
Speaker of the House  
State House  
Annapolis, Maryland 21404

Dear Governor O'Malley:

As required by § 10-720 of the Tax-General Article (Clean Energy Act of 2006), I submit to you and the General Assembly detailed information about the Clean Energy Incentive Tax Credit. This is the first annual report on the aforementioned credit, as no credits had been claimed prior to the due date of the previous two years' reports. This law requires that I, in conjunction with the Maryland Energy Administration, report on the following items:

- The number of certifications and taxpayers claiming the credit;
- The name and physical location of each taxpayer issued an initial credit certificate;
- The maximum credit amount approved for each taxpayer;
- The geographical distribution of the credits claimed; and
- Any other available information the Administration determines to be meaningful and appropriate

### **Background**

The Clean Energy Incentive Tax Credit was created as part of Chapter 296—Maryland Clean Energy Incentive Act of 2000. This initial credit allowed a taxpayer to claim a credit against the State income tax for 15 percent of the costs of solar water heating property or photovoltaic property placed in service during a taxable year. The credit was limited to \$2,000 for each system for photovoltaic property and \$1,000 for each system for solar water heating property, and could not be carried forward to future tax years. In addition, individuals or businesses that produced electricity from certain alternative resources could claim a credit of 0.85 cents per kilowatt hour of electricity; for electricity produced from an energy resource that is co-fired with coal, taxpayers could claim a credit of 0.5 cents for each kilowatt hour of electricity produced over a ten-year period. The credit sunset on January 1, 2005.

Chapter 128–Solar Energy Grant Program of 2004. The solar water heating and photovoltaic property provisions, which were allowed to expire after December 31, 2004, were instead made grants rather than income tax credits.

Chapter 129–Maryland Clean Energy Incentive Act of 2006, resurrected what was largely the same credit for electricity produced from certain alternative resources for five years to include property placed in service on or after January 1, 2006 but before January 1, 2011. Taxpayers must apply with the Maryland Energy Administration (MEA) for an initial credit certificate. The initial certificate must specify the amount of electricity the taxpayer expects to produce in a qualified Maryland facility over the 5-year period specified in the initial certificate. The total amount of the credit stated in the initial certificate cannot exceed \$2,500,000, and the total credit claimed each year cannot exceed one-fifth of this amount. Any unused portion of the credit may be carried forward for up to ten years, or until fully used. The MEA may not issue initial credits of more than a total of \$25 million between 2006 through 2010.

### Information Requested

#### Initial Credit Certificates Issued (2006 to date)

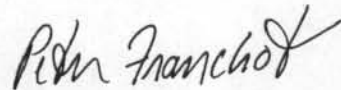
Name of Taxpayer	Location	Amount of initial credit certificate	KWh Certified
Eastern Landfill Gas, LLC	Eastern Sanitary Landfill White Marsh, MD	\$770,661.00	90,666,000
Worcester County Renewable Energy, LLC	Newark, MD	\$1,005,210.00	118,260,000
Synergic Roth Rock Wind Energy, LLC	Backbone Mountain Oakland, MD	\$2,500,000.00	294,117,647
Brick Ridge (Small wind)	Mount Airy, MD	\$255.00	30,000
Franco Primavesi (Small wind)	East New Market, MD	\$255.00	30,000
Ingenco, Landfill Gas	Salisbury, MD	\$850,000.00	100,000,000
Dudley Chase (Small solar)	Saint Inigoes, MD	\$165.84	19,510
Colleen Hazel (Small wind)	Parsonburg, MD	\$770.10	96,600

Michael Albrecht (Small solar)	Randallstown, MD	\$190.91	22,460
Fred Gasper (Small solar)	Greenblet, MD	\$133.88	15,750

This report was prepared jointly with the Maryland Energy Administration. Only one tax credit has been claimed thus far (for tax year 2007). Disclosure provisions prevent us from providing additional information regarding the credit claimed.

If you have any questions about the above information, please contact David Roose, Director of the Bureau of Revenue Estimates, under whose direction this report was prepared. The Bureau can be reached at (410) 260-7450.

Sincerely,



Peter Franchot