



Peter Franchot
Comptroller

Andrew M. Schaufele
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October 1, 2013

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

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

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

Dear Governor O'Malley, President Miller and Speaker Busch:

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 law requires that we, 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 initially created as part of Chapter 296, the Maryland Clean Energy Incentive Act of 2000. This 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

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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, although the Solar Energy Grant Program of 2004 (Chapter 128), converted the solar water heating and photovoltaic property provisions to grants rather than income tax credits.

The Maryland Clean Energy Incentive Act of 2006 (Chapter 129), resurrected what was largely the same credit for electricity produced from certain alternative resources for five years, for 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.

The credit was further amended by the Maryland Clean Energy Incentive Act of 2010 (Chapter 493), which extended it for an additional five years to include qualified energy resources placed in service on or after January 1, 2006 but before January 1, 2016. Thus, the MEA may issue credits through December 31, 2015. Under the 2010 Act, the MEA may not issue initial credit certificates in an amount less than \$1,000. Finally, the Clean Energy Incentive Credit was made refundable beginning in 2010; a taxpayer may claim a refund for the amount of the credit that exceeds tax liability in the year the credit is claimed.

Information Requested

The attached table shows the names of the entities for whom the credits have been certified by the MEA, their locations, the amount of the initial credit certificate, and the kilowatt hours of electricity for which the credit has been certified. According to the data furnished by the MEA, as of September 5, almost \$15.7 million in tax credits have been granted to 62 firms and individuals for almost 2.6 billion kWh of generated electricity. From tax year 2005 through tax year 2011, a total of 12 credits were claimed by corporations, for a total of over \$1.7 million. Corporations claimed 6 credits through tax year 2010, totaling approximately \$0.6 million. Corporate claims picked up in tax year 2011, with 6 credits claimed for over \$1.1 million. Individuals claimed a greater number of credits but for a lower total dollar value than corporations. Individuals claimed 16 credits for \$21.8 thousand in tax year 2009, 21 credits for \$86.5 thousand in tax year 2010, and 31 credits for \$107.7 thousand in tax year 2011. The majority of the individual credit claims result from the activity of pass-through-entities, the

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income of which flows-through to individual income tax returns.

I hope this information is helpful. If you have any questions about the above information, please do not hesitate to contact me at (410) 260-7450.

Sincerely,

A handwritten signature in cursive script, appearing to read "Andrew M. Schaufele".

Andrew M. Schaufele

Attachment

Initial Clean Energy Incentive Credit Certificates Issued
(2006 through September 2013)

<u>Name of Taxpayer</u>	<u>Location</u>	<u>Amount of Initial Credit Certificate</u>	<u>KWh Certified</u>
Eastern Landfill Gas, LLC	Eastern Sanitary Landfill White Marsh, MD	\$770,661.00	90,666,000
Worcester Cnty Renewable Energy, LLC	Newark, MD	\$1,005,210.00	118,260,000
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)	Greenbelt, MD	\$133.88	15,750
David Williams (Small solar)	Kingsville, MD	\$212.50	25,000
Steve Dubrosky (Small solar)	Elkridge, MD	\$283.14	33,310
Jerry Klinken (Small solar)	Davidsonville, MD	\$390.83	45,980
Daniel Josell (Small solar)	North Potomac, MD	\$468.65	55,135
David Devan (Small solar)	White Marsh, MD	\$246.97	29,055
Henry Maier (Small wind)	Oldtown, MD	\$819.06	96,360
Frederick County Landfill Energy, LLC	Frederick, MD	\$725,432.50	85,345,000
Synergics Roth Rock Wind Energy, LLC	Oakland, Maryland	\$2,500,000.00	294,117,647
SunE MCPS Clarksburg, LLC	Clarksburg, MD	\$14,365.21	1,690,025
SunE KHL492 Eldersburg, LLC	Eldersburg, MD	\$14,963.44	1,760,405
SunE MCPS FSK, LLC	Silver Springs, MD	\$4,933.36	580,395
SunE KHL987 Hagerstown, LLC	Hagerstown, MD	\$13,302.29	1,564,975
SunE WF3-ST Holdings, LLC	Hanover, MD	\$52,448.27	6,170,385
SunE MCPS Lakelands, LLC	Gaithersburg, MD	\$5,910.43	695,345
SunE MCPS Parkland, LLC	Rockville, MD	\$8,072.79	949,740
SunE MCPS Shriver, LLC	Silver Springs, MD	\$4,933.36	580,395
SunE KHL315 Silver Spring, LLC	Silver Springs, MD	\$15,030.76	1,768,325
SunE WF3-ST Holdings, LLC	Hagerstown, MD	\$28,680.06	3,374,125

<u>Name of Taxpayer</u>	<u>Location</u>	<u>Amount of Initial Credit Certificate</u>	<u>KWh Certified</u>
SunE KHL665 Timonium, LLC	Waldorf, MD	\$8,186.86	963,160
SunE KHL267 Waldorf, LLC	Timonium, MD	\$13,309.43	1,565,815
Criterion Power Partners, LLC	Oakland, MD	\$2,500,000.00	208,200,000
Brad Rill (small solar)	Hampstead, MD	\$1,262.21	148,495
Sunnyside Farm (solar)	Westminster, MD	\$12,529.13	1,474,015
Constellation- Najoles Road (Solar)	Millersville, MD	\$14,850.00	1,747,205
Constellation- Appliance Drive (Solar)	Belcamp, MD	\$97,444.00	11,464,000
Constellation- Grover Road (solar)	Millersville, MD	\$40,247.50	4,735,000
Constellation- McCormick Road	Hunt Valley, MD	\$44,293.63	5,211,015
Washington Gas- Kelly Properties	Upper Marlboro, MD	\$7,565.00	890,000
MTC Logistics	Baltimore, MD	\$36,335.84	4,274,805
South Moon Sales, Inc (Solar)	Berlin, MD	\$1,511.98	177,880
Christ Rock Terrace, Inc (Solar)	Cambridge, MD	\$2,507.50	295,000
Enviro Organic Technologies (Solar)	New Windsor, MD	\$2,298.83	270,450
Roth Rock Wind Farm, LLC	Oakland, MD	\$2,500,000.00	294,117,647
Gap Bros. Holding, LLC (Solar)	Salisbury, MD	\$1,486.57	174,890
Maryland Solar LLC	Hagerstown, MD	\$1,534,330.33	180,509,450
Dakota Farms	Princess Anne, MD	\$2,379.58	279,950
M3E Solar, LLC	Hancock, MD	\$5,652.50	665,000
Trippe Callahan (Solar)	Queen Anne, MD	\$1,460.34	171,805
James Kurtz (Solar)	Snow Hill, MD	\$4,034.44	474,640
George Morris (Solar)	Centreville, MD	\$3,504.85	412,335
John Brooks (Solar)	Easton, MD	\$2,082.84	245,040
Denise Calloway (Solar)	Mardela Springs, MD	\$9,329.98	1,097,645
Phil Wells (Solar)	Hebron, MD	\$1,696.90	199,635
Terri Wolf-King (Solar)	Hurlock, MD	\$1,041.42	122,520
Hebron Woods (Solar)	Salisbury, MD	\$1,357.49	159,705

<u>Name of Taxpayer</u>	<u>Location</u>	<u>Amount of Initial Credit Certificate</u>	<u>KWh Certified</u>
Washington Gas Energy Services- Berman Hebrew Academy	Rockville, MD	\$9,987.50	1,175,000
Washington Gas Energy Systems- Bullis School	Potomac, MD	\$6,065.69	713,610
Washington Gas Energy Systems- AACC	Arnold, MD	\$41,990.00	4,940,000
Washington Gas Energy Services- Perdue	Salsibury, MD	\$68,382.50	8,045,000
Washington Gas Energy Systems- Kent County	Worton, MD	\$89,122.50	10,485,000
Washington Gas Energy Systems- Kent County Commissioners	Kennedyville, MD	\$66,810.00	7,860,000
Washington Gas Energy Systems- UMD	College Park, MD	\$33,660.00	3,960,000
Washington Gas Energy Services- Chimes	Baltimore, MD	\$34,792.46	4,093,230
Washington Gas Energy Services- Chimes- Milford	Millford Mill, MD	\$12,622.50	1,485,000
Washington Gas Energy Systems- Greensboro Elem	Greensboro, MD	\$18,062.50	2,125,000
Washington Gas Energy Systems- Colonel Richardson	Federalsburg, MD	\$53,932.50	6,345,000
Washington Gas Energy Systems- North Caroline H.S.	Ridgely, MD	\$46,707.50	5,495,000
William Behrens	Cordova, MD	\$1,179.42	138,755
Cooke Solar	Chestertown, MD	\$47,216.61	5,554,895
Meadow Farm	Easton, MD	\$2,531.26	297,795
Glynn Bridge	Salisbury, MD	\$1,060.55	124,770
Oak Crest Farm	Harwood, MD	\$2,607.59	306,775
Larry Thomas	Princess Anne, MD	\$6,775.73	797,145
Sempno 1, LLC	Worton, MD	\$8,287.50	975,000
Sempno 2, LLC	Worton, MD	\$7,437.50	875,000
Sempno 3, LLC	Worton, MD	\$6,162.03	724,945
The Hardware Store	Mardela Springs, MD	\$2,518.76	296,325
Fourmile Wind Energy, LLC	Garrett, MD	\$2,500,000.00	834,500,000
Gaulin Properties, LLC	Jessup, MD	\$6,022.25	708,500
Sungevity Development, LLC	Marriottsville, MD	\$1,005.04	118,240
Bahia MGT LLC t/z Fish Tales	Ocean City, MD	\$1,142.44	134,405
Wiliam Zepp	Hagerstown, MD	\$2,334.99	274,705

<u>Name of Taxpayer</u>	<u>Location</u>	<u>Amount of Initial Credit Certificate</u>	<u>KWh Certified</u>
William Rhoten Excavating Inc	Hampstead, MD	\$1,041.51	122,530
Sycamore Farms, Inc	Westminster, MD	\$1,444.75	169,970
Constellation Solar Maryland, LLC - MD SC Center	Baltimore, MD	\$5,062.01	595,530
Constellation Solar Maryland, LLC - Coppin State	Baltimore, MD	\$27,072.33	3,184,980
Constellation Solar Maryland, LLC - Constellation Power Source	Baltimore, MD	\$46,703.04	5,494,475
Constellation Solar Maryland, LLC - GM	White Marsh, MD	\$63,387.09	7,457,305
Catoctin Pottery	Jefferson, MD	\$1,018.56	119,830
Tecta Solar Harford, LLC	Bel Air, MD	\$50,341.51	5,922,530
Lease Brothers, Inc	Union Bridge, MD	\$5,196.18	611,315
Clairmont Farms	Street, MD	\$1,417.76	166,795
GP St. Mary's Solar, LLC	Lexington Park, MD	\$28,802.55	3,388,535
Washington Gas Energy Systems- Wssc	Germantown, MD	\$144,298.34	16,976,275
Washington Gas Energy Systems- Dorchester Co Schools	Cambridge, MD	\$47,102.58	5,541,480
Washington Gas Energy Systems- Rock Hall	Rock Hall, MD	\$71,149.17	8,370,490
Washington Gas Energy Systems- Wssc western branch	Upper Marlboro, MD	\$146,213.73	17,201,615
WSDA, LLC	Baltimore, MD	\$2,358.41	277,460
SMECO Solar, LLC	Hughesville, MD	\$369,750.00	43,500,000
Constellation Solar Maryland, LLC- Mount St. Mary's	Emmitsburg, MD	\$919,581.43	108,186,050
Constellation Solar Maryland, LLC- UMMS	Pocomoke, MD	\$220,424.42	25,932,285
Constellation Solar Maryland, LLC- Mount St. Mary's Direct	Emmitsburg, MD	\$90,461.89	10,642,575
Constellation Solar Maryland, LLC- McCormick HeadQuarters	Sparks Glencoe, MD	\$5,390.15	634,135