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Montgomery County suspends renewable energy tax credits

\$2.5M backlog will take six years to clear

by Erin Cunningham and Aaron Kraut, Staff Writers

Sat Jiwan Ikle-Khalsa first installed solar panels in his home in 2007, and now about 60 percent of his power comes from the sun.

The Takoma Park man is among many Montgomery County residents interested in the benefits of renewable energy for their homes. About 500 of those people now are on a waiting list for renewable energy tax credits — typically about \$5,000.

That credit won't come anytime soon.

The backlog has grown so large that on Tuesday the Montgomery County Council voted unanimously not to accept any new applications for tax credits until the six-year backlog, totaling \$2.5 million, is eliminated. The county most recently budgeted about \$400,000 for the credits annually, but demand has exceeded that amount.

Council Vice President Roger Berliner (D-Dist. 1) of Potomac introduced the legislation, which suspended the program he helped create in 2007. Under his plan, the county will honor the credits for those who already have been approved. Those who applied before Tuesday still will be considered, Berliner said.

The county has given 276 tax credits to residents since the program began.

Berliner said once the backlog has been cleared, it might not be necessary for the county to reinstate the program because the cost of solar and geothermal technology is likely to decrease. Earlier this year, he said the council might consider reinstating the program, but with a reduced credit.

"It's hitting the pause button for now," Berliner said.

Ikle-Khalsa, the owner of Truthful Living — an independent consulting company on green building and renewable energy — said he uses biomass for heating purposes, and thinks the county should prioritize that renewable energy source.

He said he would like to see the county continue the tax credits.

"But I've always had a little bit of a problem with how they were allocated," he said. "First off, they felt hugely generous and with a limited amount of funds there was a

backlog going back four or five years. Generally, when you have an incentive program, you'd like to have it just fill up every year. You're not turning people away. You're serving as many people as you can."

He suggested a \$1,000 tax credit per year, saying that would allow more people to benefit without creating the backlog.

"Unfortunately, it looks like they want to suspend the program and not put any more money into it, which is unfortunate," Ikle-Khalsa said. "I think the county benefits by encouraging procurement of renewable energy sources and it's good for them to support it somehow."