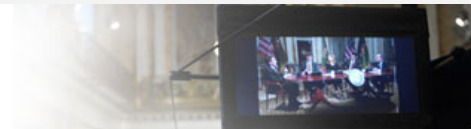


U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury, Energy Announce Guidance for Tax Treatment of Smart Grid Investment Grants

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Clarifying Determination Paves the Way for Projects to Move Forward Quickly, Creating Jobs and Delivering Smart Grid Technology to Local Communities


Washington, DC - The Department of Treasury and the Department of Energy announced today new guidance on the tax treatment for grantees receiving Recovery Act funding under the \$3.4 billion Smart Grid Investment Grant program. Under the guidance released today, the Internal Revenue Service is providing a safe harbor under section 118(a) of the Internal Revenue Code for corporations receiving funding under the program.

With the determination that Smart Grid Investment Grants to corporations are non-taxable, corporate utilities will be able to launch their investments with a clear indication of the tax status for their projects. This decision will allow the Department of Energy to move forward quickly to finalize grant agreements over the coming weeks.

"Smart Grid Investment Grants help encourage innovation in the way we power our homes and businesses," said Treasury Assistant Secretary for Management Dan Tangherlini. "By clarifying the tax treatment of Smart Grid Investment Grants, we are ensuring that their full impact is felt in the communities where these investments are being made."

"This is an important step toward reaching the Administration's goal of a more reliable and efficient electrical grid," said Matt Rogers, Senior Advisor to the Secretary of Energy. "As these projects move forward, they will create thousands of new jobs and bring smart grid technologies to communities across the country."

The \$3.4 billion Smart Grid Investment grant program is the largest single energy grid modernization investment in U.S. history. Through this Recovery Act-funded program, one-hundred private companies, utilities, manufacturers, cities and other partners are receiving funding to implement a broad range of technologies that will spur the nation's transition to a smarter, stronger, more efficient and reliable electric system. Awardees have stated that the projects will create tens of thousands of jobs, and consumers in 49 states will benefit from these investments in a stronger, more reliable grid. Implementing the smart grid will promote energy-saving choices for consumers, increase efficiency, and foster the growth of renewable energy sources like wind and solar.

The full guidance can be viewed [here](#) .

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