



Market Trends Edition

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Living Off The Grid: Tax Incentives for Alternative Electric Systems

By Elaine VonCannon ABR, SRES

According to the Northeast Sustainable Energy Association "the electric utility industry is the largest source of pollution in our country. Electric utilities generate 66% of the sulfur oxide pollutants, for example. The average home generates about 22,000 pounds of carbon dioxide a year through electricity use and heating." Green building trends, promoted by the government through the Energy Policy Act of 2005, are sweeping the nation. Homes and businesses cause less pollution when they generate electricity from renewable energy sources. In return for responsible investments green builders and homeowners receive tax credits and can sell their excess energy to their local electric company. This makes the return on investment for electrical systems powered by wind, solar and hydro (water) energy worth the effort.



The Benefit of Tax Credits for Green Electric Alternatives

Tax credits are better than tax deductions. A tax deduction lowers tax by a percentage, but a tax credit lowers tax dollar-for-dollar. According to the US Department of Energy (DOE) the Energy Policy Act of 2005 (EPACT) "offers consumers and businesses federal tax credits beginning in January 2006 for purchasing fuel-efficient hybrid-electric vehicles and energy efficient appliances and products." Home buyers and owners now have the opportunity to itemize these purchases on their federal income tax return and the credits are applied to the amount they owe the government. There are also state tax incentives for energy efficient homes. The DOE states that, "consumers who purchase and install specific products, such as energy-efficient windows, insulation, doors, roofs, and heating and cooling equipment in the home can receive a tax credit of up to \$500 beginning in January 2006." The DOE also states, "the EPACT also provides a credit equal to 30% of qualifying expenditures for purchase for qualified photovoltaic [solar electric systems] property and for solar water heating property used exclusively for purposes other than heating swimming pools and hot tubs." There are other opportunities for environmentally conscious businesses, home buyers and builders to save money on federal taxes. For more information about EPACT regulations visit the DOE web site at www.energy.gov.

Tax Incentives For Renewable Energy in Virginia

The Database of State Incentives for Renewable Energy (DSIRE), established in 1995, reports that Virginia offers some state tax incentives for homeowners with solar and wind energy systems. According to www.dsireusa.org commercial, industrial and residential sectors using recycling equipment, passive solar space heat, solar water heat, solar space heat, solar thermal electric and/or photovoltaics are eligible for property tax exemptions in certain cities and counties in Virginia, such as Hampton, Isle of Wight, King and Queen, Price William and others. Virginia also offers the Virginia Small Wind Incentives Program (VSWIP). Commercial, industrial, residential, nonprofit, schools, agricultural and institutional sectors have received state grants given by the James Madison University (JMU) Office of the Virginia Wind Energy Collaborative (VWEC) to buy and install small wind energy systems. These grants have been limited to a total of ten projects.

What Are The Options For Alternative Electrical Sources

There are three basic alternative systems that can be created to generate electricity off the grid: solar power, wind power and water power. All three of these systems must be built in accordance with state and local regulations and they must be customized to fit your home and property. Although alternative electricity can require an initial investment, many green homeowners currently off the grid make money back quickly because they avoid high utility bills. In many cases homeowners receive payments from the local electric company for the excess electricity the home systems generate. When considering an electric alternative you must consider your location, home structure and size, local environmental conditions and local and state laws. It is recommended that home buyers, builders or owners interested in alternatives research the options carefully and consult experts for advice. A local or online expert will explain if wind, solar (photovoltaic) or hydro power is the best option for your home and the positives and negatives of each. You will then need to learn about the variety of systems available and the amount of energy you can expect to generate. You may opt to use an alternative system as a supplement to the power you purchase from the electric company or a stand alone system to live completely off the grid. Whatever route you choose living off the grid will open your eyes to a new kind of living more and more homeowners are discovering every day.

Money Does Fall from the Sky: Harvesting Rainwater for the Home

By Elaine VonCannon ABR, SRES

In a world of animal extinction, melting ice caps and air pollution many people are becoming more aware of the importance of renewable resources and the power of green building. Environmentally friendly houses can equal thousands of dollars in savings for many homeowners and as the green trend grows in popularity so will the affordability of products and services related to this type of real estate. One way to conserve and live a green lifestyle is to harvest rainwater for use in your home. Harvesting rainwater is a fairly simple and affordable process that can be used for indoor and outdoor needs.

If You Build It Can You Drink It?

The quality of rainwater varies based on the location of your home. Highly polluted regions can be affected adversely, but in general the water quality of rain is good overall. Rainwater, in order to be harvested, must be captured. The most common way of capturing the rainwater is a rooftop catchment, although catchments can also be built on the ground. With a simple rooftop and gutter design rain can be collected and transferred through a filter system and into a tank or cistern. The gutters or pipes are used to convey the water and the cistern is then used for storage and, when needed, water is pumped into the home or into an irrigation system. The key to water quality after it is harvested is maintenance. Homeowners must make certain the catchment system is clear of debris and the water cistern is clean. A regular dose of maintenance product will keep the water from growing bacteria and other unhealthy things. One great green idea is the use of a slow sand filter, which has been proven to remove almost all suspended solids from rainwater. There are a variety of purification systems that can be purchased from the most primitive to the most technological.



It's Easy to Retire Green

A friend of mine, Yianni Diamapopoulos (we'll call him Yianni), a retired man originally from Greece, currently lives in a small, comfortable house he built himself. Upon completing his rural, cottage home Yianni did not want to spend the money to build a well and he was too far from town to have water provided by the city. Instead he opted to purchase a small cistern to hold 800 gallons of water and built a basic rainwater harvesting system. "Since I knew it was going to be just me living here I knew I did not need a lot of water," states Yianni, "Plus the rain is free, which saves me money." The cistern cost a mere \$450.00 and the rest of the money went towards a water heater, gutter system, filtering system and plumbing. Rainwater systems can be elaborate and expensive or simple and affordable. Yianni's system is simple and easy to maintain. He chooses not to use the water for drinking, but the shower, washing machine, water hose for the garden, kitchen sink, bathroom sink, and toilet can all be run with the rainwater system. His total cost was approximately \$1200.00. "Now that I am enjoying retirement I need to live as efficiently as possible in order to maintain my quality of life," states Yianni. "I don't have to sacrifice my comfort," he continues, "and in four years I have never even come close to running out of water."

Savings Galore

Harvesting rainwater is an ancient concept that began in Asia and can be traced back thousands of years. It is exciting to think a practice from so long ago can generate savings for homeowners living in expensive, modern times. Not only can rain harvesting systems save money each month by doing away with the regular household water bill, there are also many places in the United States where environmentally friendly and green building practices are supported with tax incentives. Be sure to consult your local, state or federal agency to find out how to take advantage of tax credits and government savings. To learn more about green building and real estate visit my web site <http://www.voncannonrealestate.com> and read Living Off The Grid: Tax Incentives for Alternative Electric Systems.



Elaine VonCannon
RE/MAX Capital

1166 Jamestown Road
Williamsburg, Virginia 23185

(757) 564-1557 office

(757) 345-6666 fax

(757) 288-4685 direct



Be Sure To Visit My Websites: www.voncannonrealestate.com and www.estatesinvirginia.com