

Boom & Bust



By Sarah Haggard

The effects of tax credits on the storm water industry

Tax incentives can have a noticeable effect on the storm water industry. As recently as 2013, there was an increase in projects beginning construction for wind energy facilities. This was a result of the expiration of the Production Tax Credit (PTC) at the end of 2013.

The PTC was a federal incentive for the development of renewable energy facilities that was intended to stimulate renewable energy production. The incentive lasts for the first 10 years of facility operation. It has been extended numerous times over the last 20 years, with the most recent extension in January 2013 to the end of the year. When Congress extended the incentive, language was changed in the deadline for projects to qualify for the incentive from “placed in service” to start of construction

by the end of 2013. As a result of the PTC, many projects that would not have qualified for the extension pushed to begin construction by the end of 2013.

The push for projects to qualify for the PTC led to an increase in permitting in the fourth quarter of 2013, creating more work for storm water pollution prevention plan (SWPPP) developers on projects that may not have been developed without the extension. SWPPPs developed for wind energy facilities can be fairly complex. Oftentimes there are other permits to contend with, such as stream alteration agreements, and separate plans to deal with stabilization and erosion and sediment control. Methods or products may be restricted by other plans, permits

or agencies. It takes open communication with multiple entities to create a workable SWPPP that can be smoothly implemented in the field. The growth in permitted projects also has led to an increase in monitoring associated with the projects for the next few years.

Implementing and monitoring a SWPPP can be difficult on large wind energy facilities due to the footprint of the projects and sometimes the terrain. There typically are miles of access roads constructed, creating large cut-and-fill slopes if the project is located in a high relief area, such as the Tehachapi Pass region of California.

Wind energy facilities are developed in a variety of climates and topographies that can prove challenging to the storm water professionals involved. The recent influx of these potentially complicated projects means the industry will be busy in the near future with SWPPP amendments and site

monitoring. At this point, it is unknown whether Congress will extend the PTC again. If it does, there could be another increase in the development of wind energy facilities around the nation. **SWS**

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