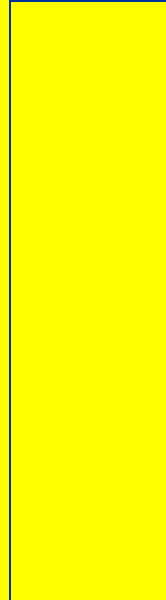


Energy Policy Act of 2005

What it means to you



1877 Broadway, Suite 608
Boulder, Co 80302
303-442-6565
www.bittnercom.com



The Energy Policy Act of 2005 was signed into law on July 29th, 2005 by President George W. Bush. It has many benefits to commercial landlords and small businesses. The Act contains provisions for commercial buildings that make improvements to their energy systems.

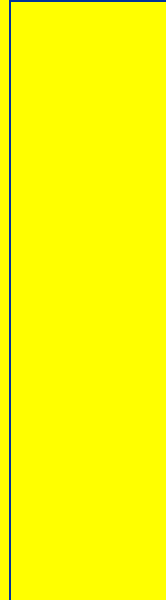
A synopsis of the act can be found at http://en.wikipedia.org/wiki/Energy_Policy_Act_of_2005 or the full act is at <http://www.doi.gov/iepa/EnergyPolicyActof2005.pdf>

Many buildings are eligible for tax deductions for improvements completed or planned within the normal course of business. These tax saving benefits emanate from the Department of Energy's desire to make all buildings "zero energy" within 20 years.

Commercial Building Benefits

The Energy Policy Act of 2005 creates incentives on improvement to lighting, the mechanical systems of the





building-heating and cooling and the building envelope for commercial buildings.

Lighting

Using automatic lighting controls such as time clocks, photocells and occupancy sensors. A simple change from the use of 400w metal halide fixtures to Hi Bay fluorescents can provide energy savings up to 50%. These are simple examples of lighting modifications all are covered under the new law. Detailed information can be obtained at <http://www.aboutlightingcontrols.org/education/papers/high-low-bay.shtml>

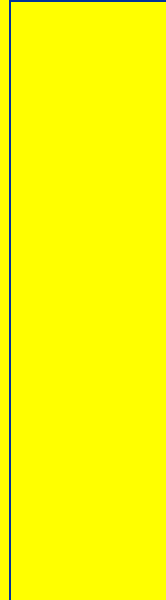
HVAC

Design modifications to the mechanical systems to improve energy efficiency may include static pressure adjustments, multiple or variable speed compressors, changing or modifying the control systems, fan efficiency changes and the possible utilization of solar. Less demand in conjunction with better use of the heating and cooling systems will provide savings.

Building Envelope

The building envelope includes the walls, roof, flooring, windows, skylights, temperature controls and any component of a building to protect the interior environment from the exterior environment. Installing triple paned windows, more extensive insulation in the roofing system, adding insulation and stucco to the "skin" of a building-all to reduce energy loss. To learn





more visit

<http://www.energydepot.com/energyright/library/effwindo.asp>

It's Time to Learn about the Energy Policy Act of 2005

Now is the time to take action and reap the benefits of this law!

If you have completed any remodeling to your building/business in 2006, or are planning work for 2007-8 you may be eligible for tax incentives of \$1.80/sq. ft. The act allows for deductions associated with increasing energy efficiency.

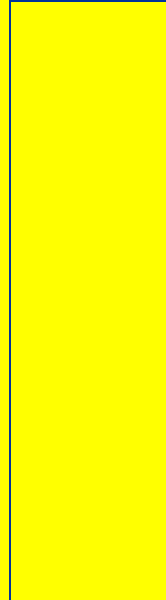
Considering new construction?

The same tax incentives apply as well. More information can be found at

www.efficientbuildings.org/about_the_provisions.html

Energy-efficient Commercial building deduction. This provision allows a tax deduction for energy-efficient commercial buildings that reduce annual energy and power consumption by 50% compared to the American Society of Heating, Refrigerating, and Air Conditioning





Engineers (ASHRAE) 2001 standard. The deduction would equal the cost of energy-efficient property installed during construction, with a maximum deduction of \$1.80 per square foot of the building. Additionally, a partial deduction of 60 cents per square foot would be provided for building subsystems.

-US Dept of Energy

Benefits to you

Benefits of this law go beyond the tax incentives. They include long-term savings on your energy bills, ability to use your energy-efficient practices in marketing material and the peace of mind knowing you are contributing to a cleaner environment.

Solar power is another alternative source which has incentives attached to it under this act. More information can be attained at http://en.wikipedia.org/wiki/Solar_power

Interesting Note

Even our clocks were affected by this act! We changed daylight savings by four weeks this year as a result of this new law. The time to spring forward is now the 2nd Sunday in March instead of the 1st Sunday in April. The time to fall back is now the 1st Sunday of November instead of the last day in October.





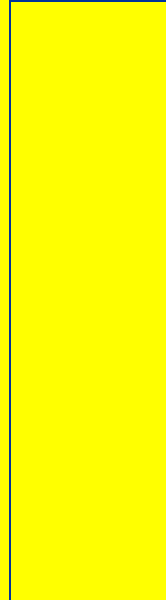
Recent Changes

At the beginning of 2007, President Bush approved a bill that will extend federal tax credits for renewable energy and energy efficiency projects.

The wide-ranging Tax Relief and Health Care Act of 2006 extends the production tax credit through 2008 for electricity produced from wind power, geothermal power, biomass, landfill gas, small irrigation power, and trash combustion facilities. It provides a similar one-year tax credit extension for new properties that produce geothermal power or make use of solar energy; for homeowners that purchase solar water heating, solar photovoltaic, or fuel cell systems; for businesses that purchase fiber-optic lighting systems, solar energy systems, or fuel cell power plants; for new energy efficient homes; and for energy efficiency improvements to commercial buildings.

The act extends the Clean Renewable Energy Bonds program through 2008, and increases the total annual amount of tax-credit bonds to \$1.2 billion. It extends special tax allowances for cellulosic ethanol facilities to include plants placed in service by 2012. It also extends the research and development tax credit, which encourages businesses to invest in new innovations. See the [text of the bill](#), the [White House press release](#) and [fact sheet](#), and the press releases from the [Solar Energy Industries Association](#) and the [Alliance to Save Energy](#).





For more assistance

Please contact us at Bittner Commercial Advisors (303-442-6565) to learn more about the Energy Policy Act of 2005 or Commercial Real Estate Investing. We will be happy to connect you with a CPA to discuss in further detail to obtain the highest benefits from The Energy Policy Act of 2005.

Bittner Commercial Advisors
1877 Broadway, Suite 608
Boulder, CO 80302
303-442-6565
www.bittnercom.com

