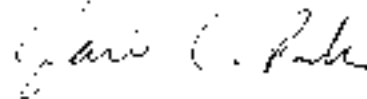


Section 1603 of the American Recovery and Reinvestment Tax Act of 2009 (section 1603) provides grants for specified energy property in lieu of tax credits. Under section 1603, the Department of the Treasury makes payments to eligible persons who place in service specified energy property during 2009 or 2010 or after 2010 if construction began on the property during 2009 or 2010 and the property is placed in service by a certain date. Eligible property under this program includes only property used in a trade or business or held for the production of income. Specified energy property includes, among others, solar property described in section 48(a)(3)(A)(i) or (ii) of the Code: (i) equipment which uses solar energy to generate electricity, to heat or cool (or provide hot water for use in a structure, or to provide solar process heat, excepting property used to generate energy for the purposes of heating a swimming pool, and (ii) equipment which uses solar energy to illuminate the inside of a structure using fiber-optic distributed sunlight but only with respect to periods ending before January 1, 2017.

Eligible persons must submit applications to the Department of the Treasury for section 1603 payments. By receiving the section 1603 payments, taxpayer agrees to forego any tax credits under sections 45 and 48 for the taxable year in which the payment is made or for any subsequent taxable year. Applicants must agree to the terms and conditions applicable to the section 1603 program. See www.treas.gov/recovery/1603.shtml for more information about the program, eligibility requirements, and the application process.

This letter has called your attention to certain general principles of the law. It is intended for informational purposes only and does not constitute a ruling. See Rev. Proc. 2009-1, §2.04, 2009-1 I.R.B. 1 (Jan. 5, 2009). If you have any additional questions, please contact me or Martha McRee at (202) 622-3110.

Sincerely,



Jaime C. Park
Senior Technician Reviewer, Branch 6
Office of Associate Ch of Counsel
(Passthroughs & Special Industries)

Enclosures (2)