

Solar Manufacturing

Why Yuma for Solar Manufacturing?

Some of the major advantages for business in Yuma:

- New state Renewable Energy incentives significantly reduce upfront capital cost burden
- Arizona Western College Research & Development Testing Site
- Arizona Western College has instituted a “Renewable Energy” curriculum
- TUV Rheinland Testing Site located in Tempe, Arizona
- 308 sunny days per year
- Yuma typically has an annual Direct Normal Solar Radiation of 7.0 to 7.5 kWh/m²/day.

Market Conditions

- Arizona’s Renewable Portfolio Standard (RPS) has set a goal to require 15 % of their energy from renewable energy sources by 2025
- California’s Renewable Portfolio Standard (RPS) is one of the most ambitious renewable energy standards in the country (33% by 2020)
- Arizona Public Service (utility company) offers aggressive incentives to promote commercial and residential solar installation
- Arizona has the most aggressive Distributive Generation requirement in the United States, 30% of the RPS has to come from DG.

TUV Rheinland Group

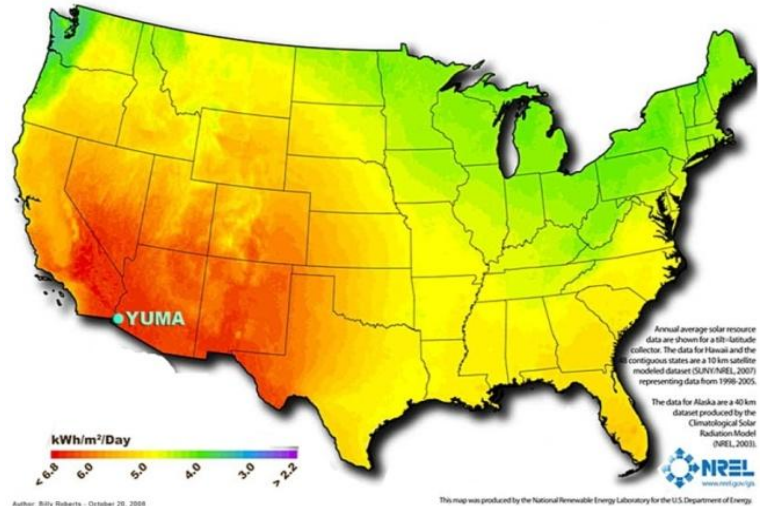
TUV Rheinland has partnered with Arizona State University, along with Arizona Public Service, to open a 40,000 square foot facility, staffed with the world’s most technically competent and capable solar testing team. TUV Rheinland-Arizona will serve as a cornerstone for a global network of photovoltaic testing and certification services. TUV Rheinland Group is the largest solar photovoltaic testing center in North America. TUV Rheinland delivers premier independent certification, testing and assessment services for the solar energy industry sector including photovoltaic, solar thermal and power management.

Yuma Welding Center

The Yuma Welding Center is located on the campus of Arizona Western College and offers certifications and bachelor’s degrees in complex and simple welding training. The center is capable of supporting private employee training along with project development. The center graduates approximately 25 students a year for immediate employment.

Arizona Public Service—Arizona Sun Program

Through the AZ Sun program, APS will finance and own 100 megawatts of solar photovoltaic power plants in Arizona. Upon completion, the program is expected to have at least six plants, which will be designed and constructed by third-party solar developers, contractors and equipment providers. The entire program is expected to be completed by the end of 2014.



Arizona Western College Research & Development Testing Site

Arizona Western College has partnered with APS, Main Street Power and PPA Partners to install a solar array on the main campus of AWC. Primarily designed as a testing and educational array, the installation, combined with the existing rooftop array on the AWC Agriculture and Science building, will allow AWC to harness the area’s climatologically unique features to generate virtually 100% of the college’s daytime electricity needs.

AWC Solar Array

- 5 megawatts makes this the single biggest solar installation at a U.S. college or university
 - 4.995 megawatts—new installation
 - 105.6 kilowatts—existing rooftop array at AWC
- Will test 5 different photovoltaic technologies
- 3rd Party Solar Monitoring will control data feed(NREL)
- Planned deployment: eastern and southern areas of main campus

Green Clean Renewable Energy

- Will cover 100% of the college’s daytime energy needs, reducing district costs

State-of-the-Art Workforce Development and Curriculum

- Student and faculty access to cutting-edge technologies
- Curriculum includes
 - Occupational certificate
 - Workforce training
 - Associate’s of Applied Science
 - University Partnerships for articulated Bachelor, Master’s

Powerful Partnerships Nationally and Globally

- Arizona Public Service is supporting the installation
- Interested companies include
 - Signet Solar
 - SKYLINE Solar
 - SolFocus
 - Satcon
 - Canadian Solar
 - DelSolar
 - Ray Tracker



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LOCAL INCENTIVES

New Market Tax Credits

Below market interest loans guaranteed by federal government for the purpose of stimulating development in rural communities. Companies utilizing New Market Tax Credits pay on the interest only of the loan for seven years. After the 7th year, the loan is forgiven and the company is awarded the principal and equity of the loan.

Yuma Private Industry Council

YPIC offers programs that cover the entire costs of employee training, including teaching, materials, equipment and other expenses. Companies can additionally qualify for reimbursement of 50% employee salaries paid during training for up to 6 months.

STATE INCENTIVES

Arizona's \$25 Million Deal Closing Fund

Arizona has taken a progressive position by offering attraction funds to companies meeting performance measures that benefit both the company and the citizens of Arizona. Utilization of this resource will generate investment in business projects that stimulate and promote industries providing high-wage and stable jobs. In order to assure a return on investment to the state, performance safeguards are a requirement of these funds.

Income Tax Credits Up to \$9,000 for Each Qualifying New Job

The Quality Jobs Tax Credit replaces Arizona's expiring Enterprise Zone Program. It provides per-employee tax credits of \$3,000 per year for up to three years. Credits may be carried forward for five years. Eligibility qualifications are different from rural and metro areas and focus on capital investment and net new job creation (5 new jobs – rural/25 new jobs metro).

30% Reduction in Arizona's Corporate Income Tax Rate

Corporate income tax rates in Arizona will be decreasing from 6.97% down to 4.9% from 2014 to 2017. This new 30% lower rate makes Arizona's rate one of the five lowest in the country.

Site Location Assistance

For more information about locating your business in Yuma, Arizona
Please contact:

Greater Yuma Economic
Development Corporation

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STATE INCENTIVES *continued*

\$1.5 Million in Reimbursable Grants to Train Employees

Arizona provides reimbursable grants to employers that implement job-specific training plans for new jobs or for training plans that increase the skill level of current employees. Award amounts range from \$2,000 to \$8,000 per position depending upon company size and location.

100% Electable Sales Factor for Multi-State Corporations

New legislation increases the electable sales factor for multi-state corporations from 80 % to 100% between FY2014 and FY2017. This provides businesses with the opportunity to reduce their tax burden.

15% Increase in Personal Property Exemptions

Effective with the 2011 tax year, Arizona's personal property exemption is increasing from \$67,000 up to \$79,000 by using the Employment Cost Index (ECI) rather than the Gross Domestic Product Implicit Price Deflator (GDIPIPD).

Lower Commercial Property Assessment Ratio—just 18%

The Arizona commercial property assessment ratio is being reduced by 10% down to 18% by 2017. This continues a 10-year trend of reducing property taxes in Arizona.

Accelerated Depreciation Schedules

Five-year accelerated depreciation schedules have been increased to help companies recover their investments even faster.

Research and Development Tax Credit

The Arizona Competitiveness Package provides increased tax credits on qualified R&D expenditures — credits will now range from 25% to 34%. R&D expenditures must be made in cooperation with an Arizona university. Tax credits are based upon R&D increases over prior years.

With Tax Credits and Tax Improvements for a Small Business

Arizona's Angel Tax Credits are now available to a much larger group of companies. Improvements to this credit include elimination of capital gains tax for investments made in qualified small businesses.

Tax Reductions by Investing in Renewable Energy

Companies engaged in solar, wind, geothermal and other renewable energy industries may obtain up to a 10% refundable income tax and up to a 75% reduction on real and personal property taxes.

FEDERAL INCENTIVES

Foreign Trade Zone

Arizona offers up to an 80% reduction in state real and personal property taxes by operating in a Federally qualified Foreign Trade Zone. The reduction is good for the entire time that a company operates in the FTZ.