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Treasury Posts “Beginning of Construction” Application for Section 1603 Treasury Grants

Recently, the Treasury Department posted an application form for applicants who have begun construction of a project during 2009 or 2010 that will be placed in service after 2010 with the intent to qualify for a cash payment under the Treasury Grant program enacted under Section 1603 of the American Recovery and Reinvestment Act of 2009. Earlier this year, Treasury issued FAQs (the “FAQs”) providing additional guidance regarding the “beginning of construction” requirement under the Treasury Grant program. The FAQs are summarized in our [prior alert](#). A copy of the “beginning of construction” application form is available [here](#) and can also be accessed at <https://treas1603.nrel.gov>.

The application form is similar to the application form that applicants use to apply for a Treasury Grant once a project has been placed in service. For example, it contains questions regarding the applicant’s eligibility, application information, a contact person, a property description, etc. However, the application provides additional detail and confirms certain guidance and requirements necessary and information that applicants must provide to satisfy the beginning-of-construction requirement:

- The application form asks for information regarding the location of the project. The FAQs (#14) provide that if the work performed otherwise meets the requirements for satisfaction of the physical work test, the beginning of construction requirement may be met even though the specific site of the project has not yet been identified. Consistent with the FAQ, the application form allows an applicant to respond that the property location is not known at this time.
- The application form asks for the date on which construction began and the expected placed-in-service date. The application notes that if the construction period is unusually long, the applicant will be asked to provide additional information regarding the construction period.
- The application form asks whether applicants have (a) incurred or paid more than 5 percent of the estimated cost of the property and (b) begun significant work of a physical nature. Many developers are trying to ensure that they meet both requirements in order to provide two chances to meet the beginning of construction requirement. The

application form allows applicants to check both boxes if they have met both requirements.

→ The documentation required to be submitted with the beginning of

construction application is consistent with the FAQs (#25).

The “beginning of construction” application must be submitted before October 1, 2011.

Please feel free to contact us if you have any questions regarding the Treasury Grant program and the “beginning of construction” requirements.

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