



9000 Conservation Way
Fort Wayne IN 46809
260-478-5667
www.waterfurnace.com

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Editorial Contact:
R&R Heating
509-484-1405

Expanded Tax Incentive Encourages Installation Of Geothermal Heating and Cooling Systems

Legislation allows full 30 percent tax incentive

Fort Wayne, IN. – Homeowners who install geothermal heating and cooling systems are now eligible for increased tax incentives under the American Recovery and Reinvestment Act of 2009.

Previous legislation offered a one-time tax credit of 30 percent of the total investment for residential ground loop or ground water geothermal heat pump installations, with a maximum credit of \$2,000 for a single residence. The new bill, signed into law on Feb. 17, 2009, removes the \$2,000 cap and offers homeowners the entire 30 percent tax credit.

“We anticipate the removal of the \$2,000 cap will have a positive impact on our geothermal system sales moving forward,” said Randy Hastings, R&R Heating And Air Conditioning, Spokane, WA. “The improved tax incentive will make geothermal systems more affordable for homeowners and allow them to make decisions about their home comfort systems based more on energy and comfort concerns and less on installation price.”

The new tax credits are retroactive to Jan. 1, 2009, and expire on Dec. 31, 2016. Residential systems installed Jan. 1, 2008, through Dec. 31, 2008, are also eligible for the 30 percent tax credit, but they are subject to the provisions of previous legislation, including the \$2,000 cap.

To qualify for the tax credit, residential systems must meet Energy Star requirements. Owners can file for the credit by completing the Renewable Energy Credits subsection on their 2009 tax return forms. No proof of purchase is required. However, in case of an audit, owners are encouraged to keep a detailed invoice of their purchase on file. Contractors who install the

product should list the purchase as a “Geothermal Heat Pump” on the invoice and note that the unit “Meets or exceeds requirements of the Energy Star program currently in effect.”

“This new, larger tax incentive supports geothermal technology as a homegrown solution to both the energy and the financial crisis by encouraging the growth of renewable energy and creating opportunities for the heating and air-conditioning contractors, electricians, plumbers, excavators and drilling machine operators that support the geothermal industry,” said Bruce Ritchey, CEO of WaterFurnace Renewable Energy, Inc. “Geothermal heat pumps and the machines used to put the renewable heat exchangers in the earth are all made in the United States. Additionally, every system installed requires skilled U.S. labor across a variety of trades.”

Geothermal systems tap the free, renewable supply of solar energy stored just a few feet below the Earth’s surface and use that energy to drive heating and cooling systems in both residential and commercial buildings. In addition to utility, state and now federal tax incentives that enhance the affordability of geothermal systems, this cost-effective, environmentally friendly technology offers a host of benefits that includes:

- Free, renewable supply of solar energy
- Efficiency ratings up to five times higher than those of ordinary heating and cooling systems
- Savings on utility bills up to 70 percent
- Reduced carbon footprint, since the system burns no fossil fuels
- More even distribution of heating and cooling for improved comfort
- Improved indoor air quality
- Quiet operation with no noisy outdoor units to disturb the environment or neighbors
- Safe operation that requires no open flame or fuel storage tanks
- Less maintenance
- Increased system longevity (an average life span of 24 years vs.15 for conventional air conditioners and 20 years for fossil fuel furnaces)

For more information about the benefits of a geothermal heating and cooling system, visit <http://www.randrheating.com>

To learn more about the new federal tax credits, visit <http://www.thomas.loc.gov> or contact your local tax professional.

R&R Heating And Air Conditioning

Locally owned and operated, we have been providing heating, air conditioning, and ventilation services to the Spokane community since 1985. At R & R Heating, we provide a full range of services, from mechanical system design and construction, to preventive maintenance programs, to 24-hour emergency repair. We are uniquely qualified to handle any commercial or industrial HVAC need.

WaterFurnace International, Inc.

WaterFurnace International, Inc. is a leading manufacturer of residential, commercial, industrial and institutional geothermal and water source heat pumps. Products from WaterFurnace include energy-efficient and environmentally friendly geothermal comfort systems, indoor air quality products and pool heaters. WaterFurnace (TSX:WFI) was founded in 1983. The company is headquartered in Fort Wayne, Ind.

For additional information, please visit www.waterfurnace.com.

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