

State and Federal Energy Efficiency & Renewable Energy Incentives

Plymouth, Mass.
May 15, 2023

Green Energy Consumers Alliance

Harnessing our power as energy consumers to speed the transition to a zero-carbon future.



- **Non-profit founded in 1982**
- **Massachusetts & Rhode Island**
- **Programs & Advocacy**

Larry Chretien, Executive Director

larry@greenenergyconsumers.org

Agenda

- **Federal Inflation Reduction Act**
- **Clean Energy Tax Credits**
- **Clean Heat Tax Credits & Rebates**
- **Electric Vehicles**
- **Direct Pay for Tax-Exempt Organization**

Consumer Savings

Change in household energy costs from the IRA in 2030
US dollars



Source: Rhodium Group. The high, central, and low emissions scenarios reflect uncertainty around future fossil fuel prices, economic growth, and clean technology costs, and are detailed in [Taking Stock 2022](#).

Make A Plan & Act On It



- **At home**
 - Go carbon-free within 10 years
- **In our cities and towns**
 - Identify sites, consultants, partners.
 - Learn what rules will be for geographic eligibility.



Clean Energy Tax Credits



Image Credit: Barr Foundation⁶

Federal: Residential Clean Energy Tax Credit

- Solar PV and water heating
- Home battery storage – with or without solar
- Geothermal (ground-source) heat pumps
- Extends for 10 years a tax credit that was set to expire
- 30% from 2022 till 2032; 26% in 2033, and 24% in 2034



Clean Heating Incentives



Massachusetts: Mass Save Rebates (if applicable)

Whole Home

- \$10,000 per home/apartment
 - Multifam bldgs: only up to 4 units
 - 5 units + must go through building manager for different rebate program
- Must be sized to meet 100% of your heating needs
- You are not required to remove your legacy fossil fuel heating system

Partial Home

- \$1,250 per ton of heating capacity
 - 1 ton = 12,000 BTUs
 - Roughly 500 SF
- "Integrated control" smart thermostat may be required
 - Toggles automatically between heat pump and fossil fuel HVAC depending on temperature



Federal: Energy Efficiency Tax Credits

Claim 30% of energy efficiency costs, up to certain limits

- \$2,000 for heat pumps, HP water heaters
- \$600 for electrical panel upgrades, when adding a heat pump
- total of \$3,200 per year

\$600

Windows, Skylights; Central A/C; Electric Panels; High Efficiency Fossil Fuel Water Heaters, Furnaces and Boilers

\$2,000

Electric or Natural Gas Heat Pump Water Heaters, Electric or Natural Gas Heat Pumps, and Biomass Stoves and Boilers

For more information, see [Rewiring America calculator](#).



Federal: Inflation Reduction Act (IRA) Rebates

HOMES

- Open to all incomes
- Based on total energy savings predicted
- Savings must be modeled or measured by a professional
- Up to \$4,000 for most households
 - Doubled for low-income occupied properties

HEEHRA

- Moderate- and low-income
 - Moderate = \$200K in metro Boston
- Up to \$14,000
- How to apply has not yet been announced

For more information, see [Rewiring America calculator](#).

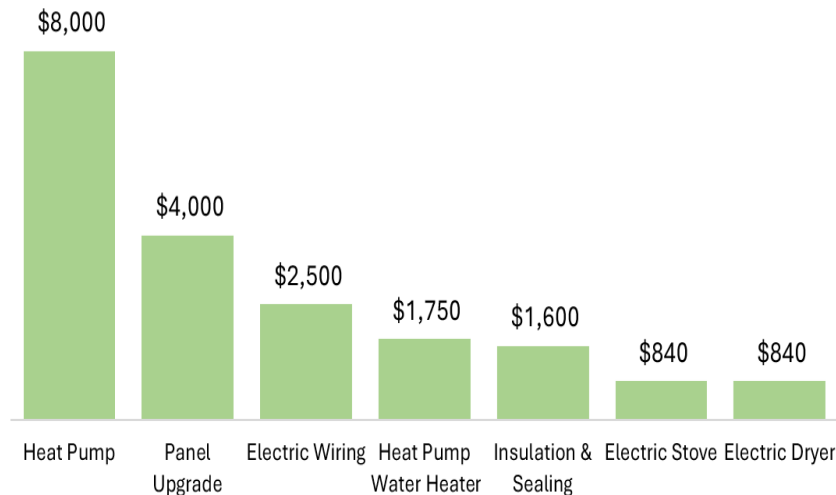


High Efficiency Electric Home Rebates

\$4.5 billion for US

\$73 million for Mass.

- **income-qualified** rebates
- <80% AMI: up to 100% of cost
- <150% AMI: up to 50% of cost
- Cap: \$14,000/unit
- Starts in 2023
- Can't be combined for same measure



Source: [Atlas Building Hub](#)

AMI Source: [Area Median Income Lookup Tool \(fanniemae.com\)](#)

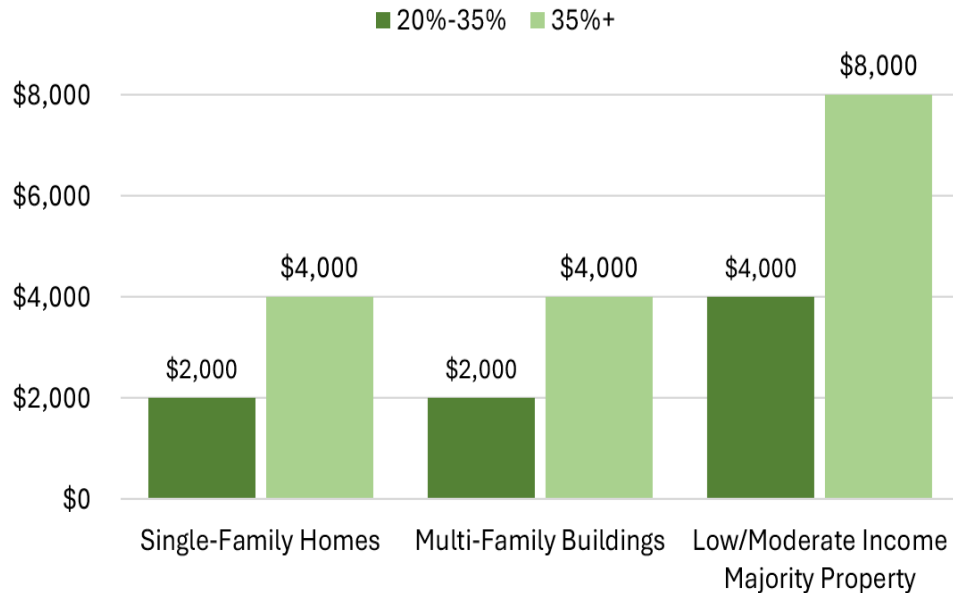


HOMES Program, rebates administered by states

\$4.3 billion for US

\$73 million for Mass.

- Rebates based on **projected energy savings** of total retrofit
- No income restrictions: up to 50% of project cost
- Low-income adder: up to 80% of project cost
- HERS Raters can project savings
- Starts in 2023



Source: [Atlas Buildings Hub](#)




How to Find Out What Applies to You

REWIRING
AMERICA

YOUR SAVINGS CALCULATOR

**How much money will you
get with the Inflation
Reduction Act?**

Enter your household information to find out.



Zip Code ?

90210

Homeowner Status ?

Household Income ?

\$65,000

Tax Filing ?

Household Size ?

<https://www.rewiringamerica.org/app/ira-calculator>



Green Energy Consumers' Heat Pump Program

- Helping energy consumers find trusted vendors and sound advice
- On-line portal to find **trusted heat pump installers** (free)
- Independent **quote comparison** (\$75 – a 50% discount)
- Expert virtual **consultations** about your home (\$150)
- More details [on our website!](#)



Electric Vehicle Incentives



Federal Clean Vehicle Credit



- Valid through 2032; no more 200,000-unit cap
- Income requirements
 - <\$300,000 for joint filers
 - <\$150,000 for individual filers
- Fuel cell vehicles now included
- New *vehicle* requirements



Three New Vehicle Requirements

1. **Assembly location:** Final vehicle assembly must be in North America (check by VIN)
2. **MSRP price cap:** \$80,000 for SUVs, vans, and pickup trucks; \$55,000 for sedans and hatchbacks
3. **Batteries:** Two sets of mineral and battery component requirements

Credit amount is **\$3,750** if vehicle meets only one battery requirement; **\$7,500** if it meets both



What vehicles qualify and for how much?

The U.S. Department of Energy has published a list at fuelconomy.gov/feg/tax2023.shtml

There you can choose what vehicles to see.

Filter table by...

Purchase Scenario (required)

- ☐ Vehicle placed in service on or after April 18, 2023.
- ☐ Vehicle placed in service after December 31, 2022, and before April 18, 2023.

Model Year

From:

Select...

To: (optional)

Select...

Make

Select Make











Model

Select Model

Vehicle Type

- ☐ All-Electric EV
- ☐ Plug-in Hybrids PHEV
- ☒ All

Federal Tax Credits for Plug-in Electric and Fuel Cell Electric Vehicles Purchased in 2023 or After
(Vehicle placed into service on or after April 18, 2023)

Make	Model	Year	Vehicle Type	Credit Amount	MSRP Limit	Assembled in N. America
Cadillac						
	LYRIQ	2023-2024	EV	\$7,500	\$80,000	✓
Chevrolet						
	Blazer	2024	EV	\$7,500	\$80,000	✓
	Bolt	2022-2023	EV	\$7,500	\$55,000	✓
	Bolt EUV	2022-2023	EV	\$7,500	\$55,000	✓
	Equinox	2024	EV	\$7,500	\$80,000	✓
	Silverado	2024	EV	\$7,500	\$80,000	✓
Ford						
	E-Transit	2022-2023	EV	\$3,750	\$80,000	✓
	F-150 Lightning (Extended Range Battery)	2022-2023	EV	\$7,500	\$80,000	✓
	F-150 Lightning (Standard Range Battery)	2022-2023	EV	\$7,500	\$80,000	✓
	Mustang Mach-E (Extended Range)	2022-2023	EV	\$3,750	\$80,000	✓

Note: This list will change over time!

The list of vehicles that are eligible for the federal Clean Vehicle Credit will change over time.

- Manufacturers will change their supply chains in order to qualify.
- The United States may sign more battery-mineral-specific Free Trade Agreements.
- Battery requirements ramp up every year.
- New vehicle models will come out.

Long story short: Check current incentives when you start shopping!



Important Leasing Loophole!

- The Inflation Reduction Act also created a *commercial* vehicle tax credit, which does not have the same eligibility requirements as the Clean Vehicle Credit.
- Dealerships can claim that *commercial* vehicle tax credit when they acquire vehicles from manufacturers to *lease*.
- Many are choosing to pass those savings onto consumers and advertising “\$7,500 lease rebates.”

Long story short: If you have your eye on a vehicle that doesn't qualify for the Clean Vehicle Credit, you may want to consider leasing.



Used Electric Vehicle Tax Credit



- Battery requirements do not apply
- \$4,000 or 30% of sale price, whichever is lower
- Must buy vehicle from dealership
- Must be at least 2 years old and cost <\$25,000
- Only applies at first resale
- Lower income threshold
 - Joint filers: <\$150,000
 - Individual filer: <\$75,000



Starting 2024: Point of Sale

- Consumer can choose to transfer the tax credit to the dealership, thereby receiving the cost reduction at the point of sale
- Details are still TBD!



Massachusetts: MOR-EV Rebate

For now:

- \$3,500 for battery electric vehicles; \$1,500 for plug-in hybrids with 25+ miles of electric range
- Final sales price must be under \$55,000 for all-electric and \$50,000 for plug-in hybrid
- Purchase or 36-month lease
- Apply online after purchase at mor-ev.org

Anticipated July 1, 2023

- Rebate phased out for plug-in hybrids
- Point-of-sale offering
- Rebate for used EVs
- Low-income adder

Later in 2023

- Adder for trading in gas car

Note: Last year's climate and economic development bills created a \$50 million EV Adoption Incentive Fund. Details TBD!



Support for Installing Charging

- [Federal tax credit](#) of 30%, only if you meet census tract requirements
- Make Ready & EVSE support from National Grid, different levels for different segments, [more info here](#)
- [MassEVIP](#), only for multi-unit dwellings, workplaces, and other non-residential locations
- ... more coming soon?



Direct Pay for Tax-Exempt Organizations

<https://www.publicpower.org/policy/direct-pay-tax-credits..>

...the IRA extended and expanded existing energy tax credits, but also sought to make these credits available to all entities, including public power utilities and rural electric cooperatives. Under the new law, these entities can claim these credits as refundable direct payment tax credits. In effect, the owner is deemed to have made a tax payment equal to the amount of the tax credit...



Green House Gas Reduction Fund

\$27 billion

- Establishes a Green Bank designed to provide low-cost financing for clean energy infrastructure projects
- \$7 billion for states and tribes to provide grants & loans for low-income & disadvantaged
 - <https://www.washingtonpost.com/politics/2022/08/17/state-climate-action-could-be-supercharged-by-inflation-reduction-act/>
- \$12 billion for general assistance
- \$8 billion for financing in low-income & disadvantaged communities



The IRA includes the following new and expanded tax credits that are eligible for the direct pay option

Production Tax Credits	Investment Tax Credits
Renewable Electricity Production Tax Credit (Section 45)	Energy Investment Tax Credit (Section 48)
Carbon Capture and Sequestration Tax Credit (45Q)	Advanced Energy Project Credit (48C)
Nuclear Power Production Tax Credit (45U) - New	Clean Electricity Investment Tax Credit (48E) - New
Clean Hydrogen Production Tax Credit (45V) - New	Commercial Clean Vehicle Credit (45W) - New
Advanced Manufacturing Production Tax Credit (45X) - New	Alternative Fuel Refueling Property Credit (30C)
Clean Electricity Production Tax Credit (45Y) - New	
Clean Fuel Production Credit (45Z) - New	

Repeat: Make A Plan & Act On It



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Questions?

Electric Power



Larry Chretien

Executive Director

larry@greenenergyconsumers.org

Transportation



Anna Vanderspek

Electric Vehicle Program Director

anna@greenenergyconsumers.org

Buildings & Heating



Loie Hayes

Energy Efficiency Coordinator

loie@greenenergyconsumers.org

