

179D Allocation Letter – Trane Technologies Augusta-Richmond County

PURPOSE

Trane Technologies Trane is eligible for a federal tax deduction (**Section 179D**) for their work completed towards the construction at the following property. TRANE was the turnkey service provider for this project.

1. Augusta-Richmond County PACT Agreement

In order for TRANE to move forward with applying for this federal program, they are required to receive a signature on an allocation letter from an authorized representative of Augusta-Richmond County. The allocation letter was presented to Lanetha Pitts, on July 21st, 2025.

DECISION STATEMENT

To move forward, an executed allocation letter would need to be signed and received by 8/30/2025.

BACKGROUND

The Energy Efficient Commercial Building Deduction (**179D**) was enacted into law as part of the Energy Policy Act of 2005 to encourage the energy-efficient design and construction of new or renovated properties. Section 3 of IRS notice 2008-40 provides the special rule for government-owned buildings. The rule provides that in the case where the building is owned by a government agency, such as Augusta-Richmond County, the building owner may allocate the 179D deduction to eligible companies like TRANE that impact the HVAC/hot water, lighting, or building envelope systems during new construction or renovations. TRANE as the turnkey service provider provided designs and technical specifications for the installation of the building automation system and is therefore applying and eligible for 100% allocation of the deduction for their role as the turnkey service provider.

RECOMMENDATION

I recommend that we move forward with allocating the 179D incentive to TRANE at 100%.

SOURCE OF FUNDING

Federal tax dollars. There is no cost to Augusta-Richmond County. This is a deduction line item that TRANE will write in on their 2025 federal tax return and will lower their taxable income.

COORDINATION/ROUTING:

1. Action Required:
Board Approval – Please fill in the allocation percentage box on page two as well as initials. Page 3, requires signature from an authorized representative of the County.
2. Please return signed document to Emily Teegerstrom (Emily.Teegerstrom@alliantgroup.com) with alliantgroup, LP



SECTION 179D ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION **ALLOCATION FORM**

As part of the Energy Policy Act of 2005, Congress enacted Section 179D of the Internal Revenue Code to encourage the design and construction of energy efficient buildings. Per IRC §179D(d)(3), in the case of energy efficient commercial building property installed on or in property owned by a specified government entity, later expanded to include tax-exempt entities by the Inflation Reduction Act of 2022, the Secretary shall promulgate regulations or guidance to allow the allocation of the deduction to the person primarily responsible for designing the property in lieu of the owner of such property. Such person shall be treated as the taxpayer for purposes of this section.

IRS Notice 2008-40 Section 3.02

A designer is a person that creates the technical specifications for installation of energy efficient commercial building property (or partially qualifying commercial building property for which a deduction is allowed under § 179D). A designer may include, for example, an architect, engineer, contractor, environmental consultant or energy services provider who creates the technical specifications for a new building or an addition to an existing building that incorporates energy efficient commercial building property (or partially qualifying commercial building property for which a deduction is allowed under § 179D). A person that merely installs, repairs, or maintains the property is not a designer.

Scope of Work

The following PACT project (Performance Agreement for Comfort from Trane) was completed to reduce energy consumption and operational costs. In total, three Energy Conservation Measures (ECMs) were developed to service 64 Augusta-Richmond County facilities, located across Augusta, Blythe, and Hephzibah Georgia.

Trane Technologies created technical specifications for the installation of the energy efficient commercial building property and is eligible to be allocated the 179D Energy Efficient Commercial Building Deduction. Specifically, Trane Technologies created technical specifications through the following:

Trane Technologies served as the comprehensive energy services solution provider for this project. Trane Technologies identified, assessed, recommended and executed all elements of the scope of work for the project. Specifically, Trane Technologies team provided the proprietary technical specifications for the mechanical, controls automation systems, LED lighting retrofits and replacements, lighting controls, water efficiency, photovoltaic solar systems, weatherization, and roof insulation improvements for the respective buildings, as outlined in the ECMs provided.



The role of the allocating specified tax-exempt entity is to confirm the scope of work performed and related information provided herein as eligible to pursue for the IRC §179D deduction by the taxpayer seeking the allocation, and not for determining if in fact the commercial building property is energy efficient.

If more than one designer is responsible for creating the technical specifications for installation of energy efficient commercial building property (or partially qualifying commercial building property for which a deduction is allowed under § 179D) on or in a specified tax-exempt building, the owner of the building shall—

- (1) determine which designer is primarily responsible and allocate the full deduction to that designer, or
- (2) at the owner's discretion, allocate the deduction among several designers.

Augusta-Richmond County Building Information					
Property Name	Property Address	Placed in Service	Cost of Property	Allocation Percentage	Building Owner Initials
9-1-1 Emergency Services	911 4th St Augusta, GA 30911	January 2025	\$127,789		
Appleby Branch Library	2260 Walton Way Augusta, GA 30904	January 2025	\$72,023		
Augusta Animal Services Center	4164 Mack Ln Augusta, GA 30906	January 2025	\$209,660		
Augusta Aquatics Center	3157 Damascus Rd Augusta, GA 30909	January 2025	\$176,392		
Augusta Central Services	2760 Peach Orchard Rd Augusta, GA 30906	January 2025	\$49,017		
Augusta Commons	836 Reynolds St Augusta, GA 30901	January 2025	\$8,287		

Augusta-Richmond County Building Information

Property Name	Property Address	Placed in Service	Cost of Property	Allocation Percentage	Building Owner Initials
Augusta Fire Department Training Facility	3117 Deans Bridge Rd Augusta, GA 30906	January 2025	\$50,253		
Augusta Health and Wellness Center/Board of Elections	507 & 535 Telfair St Augusta, GA 30901	January 2025	\$79,681		
Augusta Information Technology	535 Telfair St Augusta, GA 30901	January 2025	\$110,377		
Augusta-Richmond County Judicial Center	735 James Brown Blvd Augusta, GA 30901	January 2025	\$3,271,496		
Augusta-Richmond County Municipal Building	535 Telfair St Augusta, GA 30901	January 2025	\$3,891,578		
Augusta-Richmond County Public Library	823 Telfair St Augusta, GA 30901	January 2025	\$500,017		
Bernie Ward Community Center	1941 Lumpkin Rd Augusta, GA 30906	January 2025	\$135,349		
Blythe Area Recreation Center	3129 HWY 88 Blythe, GA 30805	January 2025	\$228,743		
Boathouse Community Center	101 Riverfront Dr Augusta, GA 30901	January 2025	\$64,794		
Carrie J. Mays Community Life Center	1014 11th Ave Augusta, GA 30901	January 2025	\$214,378		

Augusta-Richmond County Building Information

Property Name	Property Address	Placed in Service	Cost of Property	Allocation Percentage	Building Owner Initials
Carrie J. Mays Gymnasium	1014 11th Ave Augusta, GA 30901	January 2025	\$185,386		
Charles B. Webster Detention Center	1941 Phinizy Rd Augusta, GA 30906	January 2025	\$7,226,133		
Diamond Lakes Branch Library and Robert Howard Community Center	101 & 103 Diamond Lakes Way Hephzibah, GA 30815	January 2025	\$347,125		
Doughty Neighborhood Center	1200 Nellieville Rd Augusta, GA 30901	January 2025	\$76,050		
Downtown Parks Division	302 Watkins St Augusta, GA 30901	January 2025	\$124,835		
Eastview Community Center	644 Aiken St Augusta, GA 30901	January 2025	\$319,275		
Eisenhower Athletic Complex	1488 Eisenhower Dr Augusta, GA 30904	January 2025	\$24,532		
Fire Department Administration	3117 Deans Bridge Rd Augusta, GA 30906	January 2025	\$23,385		
Fire Station 1	1 Broad St Augusta, GA 30901	January 2025	\$114,792		
Fire Station 4	1866 Ellis St Augusta, GA 30904	January 2025	\$66,929		

Augusta-Richmond County Building Information

Property Name	Property Address	Placed in Service	Cost of Property	Allocation Percentage	Building Owner Initials
Fire Station 5	1898 Martin Luther King Jr. Blvd Augusta, GA 30901	January 2025	\$62,739		
Fire Station 6	2618 Richmond Hill Rd Augusta, GA 30906	January 2025	\$65,282		
Fire Station 7	2917 Willis Foreman Rd Hephzibah, GA 30815	January 2025	\$101,577		
Fire Station 8	1898 Highland Ave Augusta, GA 30904	January 2025	\$83,539		
Fire Station 9	3507 Walton Way Ext Augusta, GA 30905	January 2025	\$13,687		
Fire Station 10	1056 Alexander Dr Augusta, GA 30909	January 2025	\$97,824		
Fire Station 11	2619 Lumpkin Rd Augusta, GA 30906	January 2025	\$30,111		
Fire Station 12	1151 Hephzibah-McBean Rd Augusta, GA 30906	January 2025	\$79,386		
Fire Station 13	2619 Lumpkin Rd Augusta, GA 30906	January 2025	\$39,271		
Fire Station 14	3507 GA Hwy 88 Blythe, GA 30805	January 2025	\$26,130		

Augusta-Richmond County Building Information

Property Name	Property Address	Placed in Service	Cost of Property	Allocation Percentage	Building Owner Initials
Fire Station 15	1420 Flowing Wells Rd Augusta, GA 30909	January 2025	\$30,470		
Fire Station 16	3446 Old Louisville Rd Augusta, GA 30906	January 2025	\$49,322		
Fire Station 17	3705 Old Waynesboro Rd Augusta, GA 30906	January 2025	\$62,650		
Fire Station 18	4185 Windsor Spring Rd Augusta, GA 30906	January 2025	\$63,395		
Fire Station 19	1600 Brown Rd Hephzibah, GA 30815	January 2025	\$81,733		
Fleming Tennis Center	1850 Chester Ave Augusta, GA 30906	January 2025	\$20,389		
Friedman Branch Library	1447 Jackson Rd Augusta, GA 30909	January 2025	\$174,546		
Gracewood Community Center	2309 Tobacco Rd Augusta, GA 30906	January 2025	\$238,686		
Henry H. Brigham Senior Center	2463 Golden Camp Rd Augusta, GA 30906	January 2025	\$237,312		
Henry H. Brigham Swim Center	2463 Golden Camp Rd Augusta, GA 30906	January 2025	\$38,769		

Augusta-Richmond County Building Information

Property Name	Property Address	Placed in Service	Cost of Property	Allocation Percentage	Building Owner Initials
Jamestown Community Center	3647 Karleen Rd Hephzibah, GA 30815	January 2025	\$233,878		
Jones Pool	1617 Holley St Augusta, GA 30901	January 2025	\$1,687		
May Park Community Center	622 4th St Augusta, GA 30901	January 2025	\$286,160		
May Park Print Shop	622 4th St Augusta, GA 30901	January 2025	\$76,581		
McDuffie Woods Community Center	3431 Old McDuffie Rd Augusta, GA 30906	January 2025	\$707,693		
Newman Tennis Center	3103 Wrightsboro Rd Augusta, GA 30909	January 2025	\$123,007		
Old Government House	432 Telfair St Augusta, GA 30901	January 2025	\$271,262		
Richmond County License and Inspection	1815 Marvin Griffin Rd Augusta, GA 30906	January 2025	\$9,837		
Richmond County Municipal Solid Waste Landfill	4330 Deans Bridge Rd Blythe, GA 30805	January 2025	\$351,718		
Richmond County Recreation	2200 Broad St Augusta, GA 30904	January 2025	\$298,328		

Augusta-Richmond County Building Information

Property Name	Property Address	Placed in Service	Cost of Property	Allocation Percentage	Building Owner Initials
Richmond County Sheriff's Office	400 Walton Way Augusta, GA 30901	January 2025	\$250,608		
Richmond County Sheriff's Office South Precinct	3425 Mike Padgett Hwy Augusta, GA 30906	January 2025	\$177,651		
Richmond County Sheriff's Office Training Center	2098 Greenland Rd Blythe, GA 30805	January 2025	\$425,042		
Sand Hills Community Center	2540 Wheeler Rd Augusta, GA 30904	January 2025	\$205,288		
Special Ops Precinct	3439 Mike Padgett Hwy Augusta, GA 30906	January 2025	\$100,910		
W.T. Johnson Community Center	1606 Hunter St Augusta, GA 30901	January 2025	\$609,990		
Wallace Branch Library	1237 Laney Walker Blvd Augusta, GA 30901	January 2025	\$41,945		
Warren Road Community Center	300 Warren Rd Augusta, GA 30907	January 2025	\$146,079		

The authorized owner representative is not responsible for certification of the energy efficient commercial building property. The taxpayer receiving the allocation is solely responsible for obtaining the required certification and onsite verification and for ensuring their accuracy and substance.

Following a third-party certification by a licensed professional engineer or contractor in the jurisdiction of the building, Augusta-Richmond County will be provided with a summary analysis detailing the energy-saving improvements and the final Section 179D deduction amount.

Augusta-Richmond County Representative Information

Representative Name:	
Specified Tax-Exempt Entity Name:	Augusta-Richmond County
Title:	
Mailing Address:	
Telephone Number:	
E-mail:	

Trane Technologies Representative Information

Representative Name:	Kumar Paul
Designer Entity Name:	Trane Technologies
Title:	Vice President of Tax
Address:	800 E Beaty St Davidson, NC 28036
Telephone Number:	646.894.9190
Representative E-mail:	Kumar_Paul@tranetechnologies.com

Under penalties of perjury, I declare that I have examined this allocation, including accompanying documents, and to the best of my knowledge and belief, the facts presented in support of this allocation are true, correct, and complete.

AGREED TO AND ACCEPTED:

Signature (Augusta-Richmond County Representative)

Date



Signature (Trane Technologies Representative)

Mar 11, 2025

Date