

Inflation Reduction Act

Signed into law by President Biden – August 16, 2022

Environmental Protection Agency (EPA)

- Greenhouse Gas Reduction Fund (\$27B)
 - Invests in nonprofit, state and local financing institutions to rapidly deploy low and zero emission technologies with investment from the private sector
 - At least 40% of benefits must flow to low-income and disadvantaged communities to deploy the technology.
 - Should be prioritized for projects that would otherwise lack access to funding

Environmental Protection Agency (EPA) – Continued)

- Clean Heavy-Duty Vehicles (\$1B)
 - Grants and rebates to states, local governments and nonprofit school transportation associations to replace heavy duty vehicles classes 6-7 with zero-emission vehicles.
 - Infrastructure (charging) is an allowable cost
 - 40% must be directed to areas with high air pollution

Environmental Protection Agency (EPA) – Continued)

- Low-Emissions Electricity Program (\$87M)
 - Education and technical assistance for consumers, state, tribal, and local governments regarding GHG emissions as a result of domestic electricity.

Environmental Protection Agency (EPA) - Continued

- Addressing Air Pollution (\$280.5M)
 - grants to carry out air monitoring for low-income and disadvantaged communities
 - monitoring and reducing air pollution of schools in low-income and disadvantaged communities.

Department of Energy

- Interregional and Offshore Wind Electricity Transmission Planning, Modeling, and Analysis (\$100M)
 - Several topics of interest including integration into the electric grid, impacts on reliability and resilience of the grid, and others

Department of Energy (Continued)

- Home Energy Performance-Based, Whole House Rebates (\$4.3B)
 - Offers rebates for whole-house energy savings retrofits (HOMES program)

Single Family Homes

Energy Savings of 20-35%	Lesser of \$2,000 or 50% of project cost
Energy Savings of greater than 35%	Lesser of \$4,000 or 50% of project cost
Measured Energy Savings of at least 15%	Payment rate per kWh saved, equal to \$2,000 for a 20% reduction of the states average home or 50% of the project cost

Multifamily Building Owners

Energy Savings of 20-35%	\$2,000 per dwelling up to \$200,000
Energy Savings of greater than 35%	\$4,000 per dwelling up to \$400,000
Measured Energy Savings of at least 15%	Payment rate per kWh saved, equal to \$2,000 for a 20% reduction of the states average home or 50% of the project cost

Single Family Homes occupied by low-or moderate-income households/Multifamily homes occupied by at least 50% low- or moderate-income

Energy Savings of 20-35%	Lesser of \$4,000 or 80% project cost
Energy Savings of greater than 35%	Lesser of \$8,000 or 80% project cost
Measured Energy Savings of at least 15%	Payment rate per kWh saved, equal to \$4,000 for a 20% reduction of the states average home or 50% of the project cost

Department of Energy (Continued)

- High Efficiency Electric Home Rebate Program (\$4.5B)
 - Provides rebates for homeowners and multifamily building owners totaling \$14,000 for new construction purchases, first time purchase of appliance and replacement of nonelectric appliances.

Households below 80% of area median income	Rebate covers 100% of the project cost
Households 80-150% of area median income	Rebate covers 50% of the project cost
Multifamily Units with 50% of households are below 50% of area median income	Rebate covers 100% of the project cost
Multifamily Units with 50% of households between 80% and 150% of area median income	Rebate covers 50% of the project cost

*See next slide for rebate amounts

Department of Energy (Continued)

- High Efficiency Electric Home Rebate Program (\$4.5B) – Continued
 - Appliance/Non-appliance Upgrades & Installation Rebates

Heat Pump Water Heater	Up to \$1,750
Heat Pump for Space Heating or Cooling	Up to \$8,000
Electric Stove, Cooktop, Range, or Oven	Up to \$840
Electric Heat Pump Clothes Dryer	Up to \$840
Electric Load Service Center Upgrade	Up to \$4,000
Insulation, Air Sealing, and Ventilation	Up to \$1,600
Electric Wiring	Up to \$2,500
Installation (commensurate with scale of upgrades)	Up to \$500

Department of Energy (Continued)

- Clean Fuels

- Alternative Fuel Refueling Property Credit (EV Charging)

- Increases available tax credit maximum from \$30k to \$100k
 - Allows credit to be calculated per single unit vs per location
 - Available to individuals
 - Extends to 2032

Department of Energy (Continued)

- Clean Vehicles

- Clean Energy Vehicle Credit worth up to \$7,500 based on two components
 - Component 1 - \$3,750 – certain percentage of critical minerals in the battery are extracted or processed in the U.S, a country with a U.S. free trade agreement or recycled in North America
 - Component 2 - \$3,750 – a certain percentage of the battery is manufactured or assembled in North America
- Vehicles must meet both requirements to receive the full \$7,500.
- Certain vehicles will be disqualified based on retail prices above certain thresholds
- Taxpayers with modified adjusted gross income of more than \$300k married filing jointly, \$225k for head of household, and \$150k single taxpayers
- Applicable to vehicles placed in service between 12/31/22 and 2032

Department of Energy (Continued)

- Clean Vehicles
 - Previously Owned Clean Energy Vehicles
 - Provides tax credit for previously owned clean energy vehicles at least 2 years old – purchased before 12/31/32; and equal to the lesser of \$4,000 or 30% of the sale price
 - Tax credit is limited to those earning less than \$150k for those married filing jointly; \$112.5k for head of household and \$75k for a single taxpayer
 - Sale price cannot exceed \$25k
 - Vehicle is only eligible for the tax credit once in its lifetime
 - Individuals can only claim one used vehicle credit per three years

Department of Energy (Continued)

- Clean Energy Vehicles

- Qualified Commercial Clean Energy Vehicles

- Credit for Qualified Commercial Clean Vehicles
 - Credit is equal to 15% of it's cost – 30% if not powered by gasoline or diesel
 - Maximum credit amount will be \$7,500 with gross weight rating of 14,000 pounds and \$40,000 for all others
 - Applicable to vehicles in service after 12/31/22 through 2032

Department of Energy (Continued)

- Energy Efficiency
 - Nonbusiness Energy Property Credit
 - Personal tax credit for making a home more energy efficient
 - Increases credit through 2032 from 10% to 30%
 - Covers qualified products eligible for the credit – water heaters, heat pumps, central A/C, hot water boilers, biomass stoves, oil furnaces, air sealing materials and systems, costs of home energy audits, and electrical panels installed to enable qualified improvements
 - Roofs ineligible

Department of Energy (Continued)

- Energy Efficiency
 - Residential Clean Energy Credit
 - Offers tax credit for installing clean household energy such as solar, wind, or geothermal
 - Phaseout is implemented as below:
 - 2022 – 2032: 30%
 - 2033: 26%
 - 2034: 22%
- *Battery storage with capacity of at least 3 kWh is eligible for credit

Department of Energy (Continued)

- New Energy Efficient Home Credit
 - Extends through 2032

Type of Home	Standard of Efficiency	Base Credit	Bonus Credit
Single Family	Energy Star Single-Family New Homes Program	\$2,500	N/A
Manufactured Homes	Energy Star Manufactures Homes National Program	\$2,500	N/A
Multifamily Homes	Energy Star Manufactures National and Regional Program	\$500	\$2,500
Multifamily Homes Zero Energy Ready	DOE Zero Energy Ready Home Program	\$1,000	\$5,000

U.S. Forest Service

- \$1.5 billion for multiyear grants to states, local governments, tribes, or nonprofits for tree planting through the Urban and Community Forestry Assistance Program

US Dept. of Housing and Urban Development (HUD)

- \$837 million in loans and grants targeting affordable housing to improve energy and water efficiency and implement the use of zero-emission electricity generation.

Energy Generation

- Renewable Production Tax Credit
 - Extends to 2024
 - Applies to production of energy from solar, wind, geothermal, biomass and hydropower and others
 - Base credit – 0.3 cents per kWh with bonus credit of 1.5 cents per kWh if prevailing wage and apprenticeship requirements are met (with exceptions of small projects)

Energy Generation

- Investment Tax Credit (ITC) Extension
 - Extends to 2024 (geothermal to 2035)
 - Base credit – 6% with bonus credit of 30% if prevailing wage and apprenticeship requirements are met
 - 20% bonus credit for solar and wind facilities that are part of a qualified low-income residential building project or low-income economic benefit project.