Incentives for Energy Efficiency

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Energy Law 2009
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Why do we need incentives?

“Incentives have emerged as a baseline driver for the industry as prices . . . are not yet competitive on an unsubsidized basis.”
Why is Understanding Incentives Even More Important Now?

Congress has been creating and retooling tax and financial incentives for creating a greener energy economy with the ARRA.
http://www.usa.gov/Citizen/Topics/Environment_Agriculture/Energy.shtml

http://www.usa.gov/Citizen/Topics/Environment_Agriculture/Environment.shtml
Energy Efficiency
This page provides links to EPA energy efficiency resources and programs.

EPA Resources

- Clean Energy Programs - Clean energy includes energy efficiency and clean energy supply options. We work with state and local policy makers, electric and gas utilities, energy customers, and other key stakeholders to develop clean energy policy and technology solutions.
- ENERGY STAR
  - Energy Efficiency Tax Credits
- Electronic Product Environmental Assessment Tool
- National Action Plan for Energy Efficiency
- Responsible Appliance Disposal Program
- Sustainable Infrastructure for Water & Wastewater

Other Federal Government Resources

- Appliance Energy Use and Efficiency
- Energy Savings - Federal Trade Commission
- Energy Savers
- Federal Electronics Challenge

http://www.epa.gov/Energy/programs.htm
State Tools and Resources
This compendium organizes and classifies tools by the steps that states typically follow in designing a clean energy planning process

- Create a Collaborative
- Establish Goals
- Identify Clean Energy Policies and Programs
- Design Policies and Evaluate their Impact
- Track and Measure Progress

A comprehensive list of all tools and resources organized and searchable by topic is also provided:

- Energy & Air Quality Policy Integration
- Energy Efficiency
- Renewable Energy
- Policy and Best-Practice Resources
- State Policy Tracking
- Economics
- Public Health
- Emissions Data
- Waste Management
- Other Resources
EPA Grants and Fellowships

Grants and Fellowship Information

Finding grants in general

Specific grant programs:

- **Brownfields**: existing facilities where redevelopment is complicated by real or perceived contamination.
- **Community Action for a Renewed Environment (CARE)**: provides funding to build broad-based partnerships to reduce environmental risks at the local level.
- **Environmental education**: projects to help the public make informed decisions that affect environmental quality.
- **Environmental Information Exchange Network**: provides funding to develop an Internet-based, secure network that supports the electronic collection, exchange, and integration of high-quality data.
- **Environmental Justice**: includes the EJ Community/University Partnership Grants Program and the Environmental Justice Through Pollution Prevention Grants Program.
- **Fellowships and other student programs**: Grants, fellowships, and research associations.
- **National Clean Diesel Campaign**: building diesel engine emission reduction programs across the country to improve air quality and protect public health.
- **Pollution Prevention**: provides matching funds to state and tribal programs to support pollution prevention and to develop State-based programs.
- **State Innovation Grant Program**: provides funds and technical assistance to state environmental agencies to promote testing of innovative approaches in environmental permitting for better results and efficiency.
- **Science to Achieve Results (STAR)**: funds research grants in numerous environmental science and engineering disciplines through a competitive solicitation process and independent peer review.
- **Small Business Innovation Research (SBIR)**: competitively funds environmental technology research at small businesses.
- **Water Grants**: includes the state revolving funds for drinking water and wastewater, grants for water pollution prevention and wetlands protection, and tribal grants.

Grants under the Recovery Act of 2009

The Recovery Act includes $7.2 billion for projects and programs administered by EPA. For information on funding opportunities and awards, visit

- [Epa.gov/recovery](http://Epa.gov/recovery)
- [Recovery.gov](http://Recovery.gov)
- [Grants.gov](http://Grants.gov)

How Do I...?

- Apply for a grant?
- Write a proposal?
- Get grant management training?
- Find the closest EPA grants management office?
- Receive a payment?
A general search for grants related to “energy” netted 475 possible grants.

The site provides summaries, deadlines, potential award amounts, and eligibility requirements for each grant.
Energy Efficiency and Renewable Energy

Database for State Incentives for Renewables and Efficiencies

DSIRE is a comprehensive source of information on state, local, utility, and federal incentives that promote renewable energy and energy efficiency. Choose one or both databases to search:

- Renewable Energy
- Energy Efficiency

Federal Incentives

US Territory Incentives

http://www.dsireusa.org/
Clean Energy Resources Database

Search of Illinois:
http://cfpub.epa.gov/ceird/index.cfm?fuseaction=local.view_results
Clean Energy Resources Database

You can search the database and retrieve resources using one of three approaches:

1. Search by selecting one or more Subject Area(s).
2. Search by selecting one or more Subject Area(s) and refining your results by selecting one or more Search Topic(s).
3. Search by Keyword alone or in combination with one of the above search options.

Search Subject Area  (Hold down CTRL or Mac command key to select/deselect multiple)

- National Action Plan for Energy Efficiency
  - Evaluation, Measurement, and Verification
  - Potential Studies
  - Cost Effectiveness
  - Program Design and Implementation

Keywords  (Enter a word or phrase to match exactly)

Search Topic  (Hold down CTRL or Mac command key to select/deselect multiple)

- EVALUATION, MEASUREMENT, AND VERIFICATION
  - Evaluation Protocols/Guidance
  - Program Theory/Logic
  - Market Assessment/Characterization
  - Process Evaluation
  - Impact Evaluation

Search
SEP Projects in the States and U.S. Territories
Select a state or U.S. territory on the map or from the pull-down menu for summaries of State Energy Program sponsored projects in that state, SEP contacts in the state energy offices, links to the state energy office Web sites, project briefs, case studies on projects from that state, and links to state publications on renewable energy and energy efficiency.
Interactive Map of Federal Energy Management Program

State-Based Programs

Legend

- These states have public purpose and/or utility energy efficiency programs as well as demand response/load management programs.
- These states have demand response/load management programs.
- These states have public purpose and/or utility energy efficiency programs.
- These states have distributed energy resource options available.
- These states have gas energy efficiency programs.
- These states have no energy management programs.

- Demand Response/Load Management Programs: Incentives to curtail energy use during peak periods of usage
- Energy Efficiency/Renewable Energy Programs: Utilities, States, and other parties provide incentives for, or reduce costs of, energy efficiency
The Renewable Energy Production Incentive (REPI) program was created by the Energy Policy Act of 1992, and amended in 2005, to provide financial incentives for renewable energy electricity produced and sold by qualified renewable energy generation facilities. REPI has outlined the eligible electric production facilities to include:

- Not-for-profit electrical cooperatives
- Public utilities
- State governments
- Commonwealths
- Territories of the United States, the District of Columbia, Indian tribal governments, or a political subdivision within
- Native Corporations that sell the facility's electricity.

REPI is part of an integrated strategy in the 2005 Energy Policy Act to promote increases in the generation and utilization of electricity from renewable energy sources and to promote market utilization of renewable energy technologies.

This site provides information about the Renewable Energy Production Incentive program including:

**About the Program ▶**
REPI provides financial incentive payments to qualified production facilities.

**How to Apply ▶**
Information about eligibility and how to apply for REPI's incentive payments.

**Projects by State ▶**
Learn more about the incentive payment projects that REPI has awarded to qualified production facilities across the United States.
Previous Qualifying Projects by State: [http://apps1.eere.energy.gov/repi/projects.cfm](http://apps1.eere.energy.gov/repi/projects.cfm)

**Minnesota Renewable Energy Production Incentive Projects**
The Renewable Energy Production Incentive (REPI) projects are listed for Minnesota by facility name, fiscal year payment, and total kWh generated:

- 2007
- 2006
- 2005
- 2004
- 2003
- 2002
- 2001

**2007 Minnesota Renewable Energy Production Incentive Projects**
The 2007 Renewable Energy Production Incentive (REPI) projects in Minnesota are listed by facility name, fiscal year payment, and total kWh generated.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Payment</th>
<th>Total kWh Produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carleton College Wind Turbine Project</td>
<td>$18,892</td>
<td>4,519,900</td>
</tr>
<tr>
<td>Lac qui Parle Valley High School</td>
<td>$1,963</td>
<td>469,680</td>
</tr>
<tr>
<td>Mt. Lake Wind Turbine</td>
<td>$1,963</td>
<td>469,779</td>
</tr>
<tr>
<td>SMMPA Wind Farm Phase 1</td>
<td>$23,830</td>
<td>5,701,189</td>
</tr>
<tr>
<td>SMMPA Wind Farm Phase 2</td>
<td>$73,093</td>
<td>17,486,682</td>
</tr>
<tr>
<td>Wind Turbine Unit #8</td>
<td>$6,141</td>
<td>1,469,226</td>
</tr>
<tr>
<td>Wind Turbine Unit #9</td>
<td>$5,843</td>
<td>1,398,082</td>
</tr>
<tr>
<td>Worthington Wind Project #1 &amp; #4</td>
<td>$21,233</td>
<td>5,079,850</td>
</tr>
<tr>
<td>Worthington Wind Project 3-5</td>
<td>$21,698</td>
<td>5,191,191</td>
</tr>
<tr>
<td>Worthington Wind Projects 2-3</td>
<td>$22,487</td>
<td>5,379,866</td>
</tr>
</tbody>
</table>
American Council for an Energy-Efficient Economy

ACEEE National and State Energy Policy

Energy Efficiency Should Play a Major Role in Energy Policy

Policies to improve energy efficiency can reduce oil imports, improve the reliability of the U.S. electric grid, save consumers money, reduce air pollution, create jobs, and reduce prices.

- Energy Policy Program Description

National Energy Policy

- Economic Stimulus Legislation
- Climate Legislation
- Federal Tax Credit and Incentive Information

State Energy Policy

- 2008 State Energy Efficiency Scorecard
- State Clean Energy Resource Project (SCERP)
- State Energy Efficiency Policy Database
- The State Current

Energy Markets Analysis

Policy information regarding natural gas, petroleum, and electricity markets.

Energy Efficiency Modeling and Resource Assessments

Reports, Testimony, and Filings

A complete listing of Energy Policy Program reports, searchable by date and by topic, as well as white papers and ACEEE Testimony.

- Policy Fact Sheets

Presentations
Energy Efficiency Incentives by State

Activities in the States
Click on a state for a list of policies that have been adopted.

State Policies
Click on a policy topic to learn more.

- Appliance Standards
- Building Codes
- Climate Policies
- Distributed Generation
- Smart Growth Policies
- Tax Incentives
- Utility Policies
- Vehicle Policies

- The 2008 State Energy Efficiency Scorecard (E086)
- The State Energy Efficiency Scorecard for 2006 (E075)
- Leading the Way: Continued Opportunities for New State Appliance and Equipment Efficiency Standards (A062)
- Energy Efficiency's Next Generation: Innovation at the State Level (E031)
- More state-level analyses
Electric Utility Sector Policies

Summary

Illinois has historically had little involvement with utility energy efficiency programs, other than a small annual funding requirement (~ $3 million/year) created in the Illinois restructuring legislation (HB262) in 1997, to support some small programs administered by the state Department of Commerce and Economic Opportunity.

New legislation in 2007 required substantial electric utility energy efficiency programs, and created a strong energy efficiency resource standard (EERS) savings requirement, beginning at 0.2% of sales in 2008 and ramping up eventually to 2.0% of sales per year by 2015.
Ohio joined the State Climate and Energy Partnership to build capacity within State agencies to accomplish these tasks:

- Quantify the benefits of energy initiatives.
- Build on existing agency collaborations.
- Rank energy policy initiatives by environmental and economic benefits.
- Implement energy policy initiative(s) based on stakeholder consensus.

Office of Energy Efficiency, Ohio Department of Development
U.S. EPA Clean Energy Programs

Energy and You
EPA’s Clean Energy Web site can help you understand:
- How does energy use affect my environment?
- How clean is the energy I use?
- How can I reduce my impact?

National Action Plan for Energy Efficiency
- How to Get Involved
- Leadership Group
- NAPEE Resources
- Sector Collaborative

State and Local Programs
Work with State and Local Governments to identify and implement cost-effective programs that save energy and improve air quality.
- State & Local Programs
- Heat Island Reduction Initiative

Clean Energy Programs
Work with industry and other key groups to encourage efficient, clean technologies such as combined heat and power and green power from renewable resources.
- Green Power Partnership
- Combined Heat & Power Partnership
- National Action Plan for Energy Efficiency
- State Utility Commission Assistance
- ENERGY STAR®
U.S. EPA Green Power Partnership

Steps to becoming an EPA Green Power Partner:

1. Estimate annual electricity use
2. Review purchase requirements
3. Find and buy green power products
4. Complete partnership agreement
5. Communicate your purchase

What You Need to Get Started

- Guide to Purchasing Green Power (PDF) (50 pp, 1.1MB, About PDF)
- Partnership Requirements (PDF) (12 pp, 143K, About PDF)
- Partnership Agreement (PDF) (2 pp, 760K, About PDF)

Find Green Power Providers

- Green Power Locator

Calculate Your Avoided Emissions

- Green Power Equivalency Calculator
## Buy Green Power

### State-Specific Utility Green Pricing Programs
(last updated May 2008)

<table>
<thead>
<tr>
<th>State</th>
<th>Utility Name</th>
<th>Program Name</th>
<th>Type</th>
<th>Start Date</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>IL</td>
<td>City of Naperville / Community Energy</td>
<td>Renewable Energy Option</td>
<td>wind, small hydro, PV</td>
<td>2005</td>
<td>2.5¢/kWh</td>
</tr>
<tr>
<td>IL</td>
<td>City of St. Charles/ComEd and Community Energy, Inc.</td>
<td>TBD</td>
<td>wind, landfill gas</td>
<td>2003</td>
<td>Contribution</td>
</tr>
<tr>
<td>IL</td>
<td>Dairyland Power Cooperative; Jo-Carroll Energy/Elizabeth</td>
<td>Evergreen Renewable Energy Program</td>
<td>landfill gas, biogas, hydro, wind</td>
<td>1997</td>
<td>1.5¢/kWh</td>
</tr>
</tbody>
</table>

### State-Specific Retail Green Power Product Offerings
(last updated May 2008)

<table>
<thead>
<tr>
<th>State</th>
<th>Company</th>
<th>Product Name</th>
<th>Resource Mix</th>
<th>Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>IL</td>
<td>Ambit Energy</td>
<td>Green Power</td>
<td>100% wind</td>
<td>Green-e</td>
</tr>
<tr>
<td>IL</td>
<td>BlueStar Energy</td>
<td>Go Green &amp; Save Green</td>
<td>new wind</td>
<td>Green-e</td>
</tr>
</tbody>
</table>

[http://www.epa.gov/greenpower/pubs/incentives.htm](http://www.epa.gov/greenpower/pubs/incentives.htm)
Illinois State Incentives

ENERGY EFFICIENCY PROGRAMS
Energy efficiency investments in Illinois’ economy brings strong and diverse benefits, including protecting consumers and businesses from higher energy prices, improving electric reliability by reducing congestion on the electricity grid, supporting the retention of manufacturing jobs by reducing manufacturing energy costs and supporting the manufacture of new high-efficiency products, hedging risk against fuel price volatility, supporting public health and the environmental quality by reducing energy waste, and helping to keep Illinois’ energy dollars in the local economy. Click on the link above for more information on DCEO’s energy efficiency programs.

CLEAN ENERGY PROGRAMS
Illinois boasts significant potential for renewable power and heating: wind, solar, and biogas offer both economic and environmental benefits. Wind energy costs have fallen significantly, and modern wind farms provide both stable income for farmers and significant property tax revenues for local governments. Biogas facilities allow livestock owners to transform wastes from pollution into clean energy, and solar thermal technologies offer an increasingly cost-effective alternative to volatile natural gas prices. Illinois strongly supports the development of these resources. Click on the link above for more information on DCEO’s clean energy programs.

RENEWABLE FUELS PROGRAMS
Home-grown fuels such as ethanol and biodiesel reduce Illinois’ dependence on foreign oil, keep energy dollars in the local economy, support local corn and soybean prices, and make a cleaner and healthier environment for Illinois. Illinois is the one of the nation’s largest ethanol producers, and is working hard to maintain leadership in biofuels technology development and production. Click on the link above for more information on DCEO’s renewable fuels programs.

The Illinois Recycling Grants Program helps communities, businesses and not-for-profit organizations collect and process materials for recycling.

The Recycling Expansion and Modernization (REM) Program provides grants to divert materials from the municipal solid waste stream, thereby conserving our natural resources, and improve the performance and “bottom line” of Illinois businesses and organizations (reduced operating costs, increased sales, etc.) while demonstrating public economic benefits.

Illinois Zero Waste Schools Grant Program
Thank you for your interest in the IL Zero Waste Schools Grant Program, a funding opportunity for K-12 Illinois schools to implement or expand recycling and waste reduction programs. The deadline to apply for grant applications for programs to begin in schools in the fall of 2008 ended February 15, 2008. Announcements for future Request for Applications for IL Zero Waste School Grant Programs will be posted at this site, or you may request to be notified by email of future solicitations by contacting Brett Ivers at Brett.Ivers@illinois.gov or 217-524-5659.
Incentives

Agriculture

NYSERDA provides energy audits and feasibility studies that identify cost effective energy efficiency improvements that will lower energy bills, increase productivity and reduce environmental impacts.

Colleges and Universities

NYSERDA’s Focus on Colleges and Universities (C&U) identifies incentives for public and private institutions to reduce their energy usage. Through practical, technical assistance and financial incentives, Focus on C&U is designed to help New York State colleges and universities fund their energy and environmental objectives and maintain a healthy bottom line.

Commercial / Industrial

NYSERDA’s Commercial/Industrial programs provide energy efficiency services for existing buildings, new construction, industrial facilities, and vehicle fleets.
NYSERDA recently completed a pilot initiative to increase the energy efficiency of commercial kitchens in New York. NYSERDA is continuing to help restaurant owners and managers of non-profits to find ways of reducing energy costs within their commercial kitchens, including capital purchases that reduce their energy and water use and costs.

Focus on Hospitality - Commercial Kitchens Program works in conjunction with the NYSERDA Small Commercial Audit Program, in providing qualified engineering assessments for your building and commercial kitchen operations. The Small Commercial Audit Program provides a full energy efficiency assessment and recommendations for any type of commercial building with $75,000 or less in annual electricity bills. For larger or more complex operations, NYSERDA shares the costs for the use of any qualified energy engineering firm through its FlexTech and Technical Assistance Programs.
Welcome to the Department of Energy's (DOE's) Tribal Energy Program Web site. The Tribal Energy Program promotes tribal energy sufficiency, economic growth and employment on tribal lands through the development of renewable energy and energy efficiency technologies. The program, part of DOE's Office of Energy Efficiency and Renewable Energy, provides financial and technical assistance to tribes for the evaluation and development of renewable energy resources, and provides education and training to help build the knowledge and skills essential for sustainable energy projects.

Please see About the Program or read our program brochure for more information (PDF 3.9 MB). Download Adobe Reader.

This Web site provides information about Native American renewable energy and energy efficiency projects that have been funded by DOE. It includes case studies, information on business opportunities and project financing, and other resources to help tribes with their energy projects.

Join our e-mail list to receive information about funding opportunities and training. And read our Guide to Tribal Energy Development, packed with information and resources to help you take charge of your energy future.
Tribal Resources

- http://apps1.eere.energy.gov/tribal_energy/government_grants.cfm
- http://apps1.eere.energy.gov/tribal_energy/education.cfm
- http://apps1.eere.energy.gov/tribal_energy/tech_assistance.cfm
Grants & Funding

The Grants & Funding portion of the Tribal Portal provides information about tribal grants resources and is intended to help tribes and individuals to find all topics in one location.

**Grant Resources** - find description and links to EPA and Federal Grant Resources, regulations and policies that pertain to the general applicability for tribal grant programs.

- EPA Grants Resources
- Federal Grants Resources

**Grant Topics** - find information on EPA grants sorted by topics.

- Environmental Media Grants
  - Air
  - Toxic
  - Waste
  - Water
- Cross-environmental Media Grants
  - Educational
  - Enforcement and Compliance Assurance
  - Environmental Multimedia
  - Place-Based Programs
  - Research and Science
American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act has allotted $16.8 billion for the Office of EERE. If you are interested in what EERE is doing under the Recovery Act:

- See the [The Office of EERE Recovery Act Web site](#) for information about how EERE is using the funding from the Recovery Act.

Popular Topics

These are the topics the EERE Information Center receives the most inquiries about.
Energy Efficiency and Conservation Block Grant Program

- Grants to implement strategies to reduce energy use, fossil fuel emissions, and improve energy efficiency
- Over $2.7 billion in formula grants are now available to U.S. states, territories, local governments and Indian tribes
- EISA Title V, Subtitle E

http://www.eecbg.energy.gov/
ARRA Energy Tax Credits for Consumers

Home Energy Efficiency Improvement Tax Credits
Consumers who purchase and install specific products, such as energy-efficient windows, insulation, doors, roofs, and heating and cooling equipment in existing homes can receive a tax credit for 30% of the cost, up to $1,500, for improvements "placed in service" starting January 1, 2009, through December 31, 2010. See EnergyStar.gov for a complete summary of energy efficiency tax credits available to consumers.

Residential Renewable Energy Tax Credits
Consumers who install solar energy systems (including solar water heating and solar electric systems), small wind systems, geothermal heat pumps, and residential fuel cell and microturbine systems can receive a 30% tax credit for systems placed in service before December 31, 2016; the previous tax credit cap no longer applies.

Automobile Tax Credits
Hybrid Gas-Electric and Alternative Fuel Vehicles
Individuals and businesses who buy or lease a new hybrid gas-electric car or truck are eligible for an income tax credit for vehicles "placed in service" starting January 1, 2006, and purchased on or before December 31, 2010. The amount of the credit depends on the fuel economy, the weight of the vehicle, and whether the tax credit has been or is being phased out. Hybrid vehicles that use less gasoline than the average vehicle of similar weight and that meet an emissions standard qualify for the credit.

This tax credit will be phased out for each manufacturer once that company has sold 60,000 eligible vehicles. At that point, the tax credit for each company’s vehicles will be gradually reduced over the course fifteen months. See the IRS’s Summary of the Credit for Qualified Hybrid Vehicles for information on the status of specific vehicle eligibility.

Alternative-fuel vehicles, diesel vehicles with advanced lean-burn technologies, and fuel-cell vehicles are also eligible for tax credits. See the IRS summary of credits available for Alternative Motor Vehicles.

Plug-In Electric Vehicles
Plug-in electric vehicles also qualify for a tax credit starting January 1, 2010. The credit for passenger vehicles and light trucks ranges from $2,500 to $7,500, depending on battery capacity. The first 200,000 vehicles sold by each manufacturer are eligible for the full tax credit; the credit will then phase out over a year.

Plug-In Hybrid Conversion Kits
Hybrid vehicle owners who purchase a qualified plug-in hybrid conversion kit are eligible for a 10% credit, capped at $4,000, through 2011.
ARRA Energy Incentives for Business, Utilities and Government

Renewable Energy Incentives
These incentives include tax credits for production and facilities using wind, refined coal, geothermal, biomass, solar, and combined heat and power systems. In addition, $800 million of Clean Renewable Energy Bonds (CREBs) are authorized to finance renewable facilities.

Transportation & Domestic Fuel Security
These incentives provide tax credits for alternative fueling stations, cellulosic biofuel facilities, and for alternative fuel production, including biofuels, biomass gas versions of liquefied petroleum gas, liquefied or compressed natural gas, and aviation fuels. Idle reduction units and advanced insulation for heavy vehicles are also provided a tax exemption.

Energy Conservation and Efficiency
These incentives provide financing and incentives for state and local governments to reduce greenhouse emissions, for builders and developers to build efficient buildings or to improve existing buildings, and for manufacturers to produce efficient appliances. In addition, these incentives allow for swifter recovery of the cost of smart electric meters and grid equipment.

http://www.energy.gov/additionaltaxbreaks.htm
The Tax Incentives Assistance Project (TIAP)

General Information

For Program Implementers
Guidelines and ideas for state, utility, and local program planners.

State & Utility Incentives
Links to additional incentives offered by states and local utilities.

Legislative Language & Pending Updates
Current information on pending legislation relating to the federal tax incentives.

IRS Rules and Regulations
Additional information on IRS rules, notices, and guidelines as they are released.

TIAP Recommendations on Implementation Rules
TIAP Recommendations to the Department of Energy and Department of Treasury on the Implementation Rules for the Tax Incentives

Frequently Asked Questions
Passenger Vehicles

On January 13, 2006, the IRS released a "Guidance Notice" on tax credits for light-duty hybrid and diesel vehicles. To date, the IRS has released notices acknowledging that some Honda, Toyota, Lexus, Ford, Mercury, General Motors, Mazda, Chrysler, Dodge, and Nissan hybrid vehicles have been certified for tax credits (although the Toyota and Honda credits have been phased-out), as have Audi, Mercedes, BMW, and Volkswagen 'lean-burn' diesels. For information on which models are eligible and the amount of credit available, see ACEEE’s "Light-Duty Hybrid and Diesel Vehicle Tax Credits in the Energy Bill."

- Treasury and IRS tax credit guidance (2006)
- IRS information on Qualified Hybrid Vehicles (March 2009)

TIAP is also making available the full text of the IRS Guidance Notices. These are available for download (PDF format):

- Notice 2006-9, Credit for New Qualified Alternative Motor Vehicles (Advanced Lean Burn Technology Motor Vehicles and Qualified Hybrid Motor Vehicles)

Please check the TIAP Passenger Vehicle web site for future updates and the latest information on the energy efficiency tax incentives. For more information on specific vehicles and incentive amounts, see ACEEE’s "Light-Duty Hybrid and Diesel Vehicle Tax Credits in the Energy Bill."
Federal Tax Credits for Energy Efficiency

Federal Tax Credits for Energy Efficiency includes:

- **Tax Credits for Consumers**
  - Tax credits are available at 30% of the cost, up to $1,500, in 2009 & 2010 (for existing homes only) for:
    - Windows and Doors
    - Insulation
    - Roofs (Metal and Asphalt)
    - HVAC
    - Water Heaters (non-solar)
    - Biomass Stoves
  - Tax credits are available at 30% of the cost, with no upper limit through 2016 (for existing homes & new construction) for:
    - Geothermal Heat Pumps
    - Solar Panels
    - Solar Water Heaters
    - Small Wind Energy Systems
    - Fuel Cells

- **Cars**
- **Tax Credits for Home Builders**
- **Tax Deductions for Commercial Buildings**
- **For More Information**

Frequently Asked Questions:
- How has the new Stimulus bill affected the tax credits for energy efficient home improvements?
- What tax credits are available in 2008 for energy efficiency home improvements?
- Are installation costs covered by the tax credit?
- All Tax Credit FAQs
Tax Incentives for Automobiles by Fuel Source

Fuel Efficient Vehicle

Tax Incentives Information Center

Find out how you can save money through Federal tax incentives on your purchase of a new hybrid, lean-burn, alternative fuel, and electric vehicles!

Hybrids

Current Tax Credits

Tax Deductions for Hybrids Placed in Service Before 2006

Diesels

Current Tax Credits

Note: Only a small number of diesels currently produced are eligible for this credit.

Alternative Fuel Vehicles (AFVs)

Current Tax Credits

Tax Deductions for AFVs Placed in Service Before 2006

Electric Vehicles

Current Tax Credits

Note: Electric vehicle eligible for this tax credit have not been manufactured for several years but may be available in the near future.
Electric Vehicle Tax Credits

**Federal Income Tax Credits for Electric Vehicles**

Qualifying electric vehicles purchased new are eligible for a one-time federal tax credit of up to $4,000. The credit will be reduced to $1,000 for 2006 and will expire at the end of that year.

Vehicle Requirements [view...](#)
Claiming the Credit [view...](#)
Other Tax Incentives [view...](#)
Additional Information

- IRS web site
- Form 1040 Instructions
National Clean Diesel Emissions Reduction Program

National Clean Diesel Program (70% of funding)

- **National** Clean Diesel Funding Assistance Program contains the majority of the funding dedicated to deployment of EPA-verified and certified technologies. This component will be administered by EPA’s regional offices.
- **National Clean Diesel Emerging** Technologies Program fosters the deployment of innovative technologies through a national grant competition. To qualify as an emerging technology, a manufacturer must have an EPA approved application and test plan for verification.
- **SmartWay Clean Diesel Finance** Program allows EPA to issue competitive grants to establish national low-cost revolving loans or other financing programs that will provide funding to fleets to reduce diesel emissions.

State Clean Diesel Grant Program (30% of funding)

- **State** Clean Diesel Grant Program makes funds directly available to States interested in establishing new diesel emission reduction programs.

Distribution of 2009 Funds

<table>
<thead>
<tr>
<th>Recovery Act</th>
<th>Funding in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recovery Act Funding for the National Clean Diesel Funding Assistance Program</td>
<td>$156</td>
</tr>
<tr>
<td>Recovery Act Funding for the National Clean Diesel Emerging Technology Program</td>
<td>$20</td>
</tr>
<tr>
<td>Recovery Act Funding for the SmartWay Clean Diesel Finance Program</td>
<td>$30</td>
</tr>
<tr>
<td>Recovery Act Funding for the State Clean Diesel Grant Program</td>
<td>$88</td>
</tr>
<tr>
<td>Administration</td>
<td>$6</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$300</strong></td>
</tr>
</tbody>
</table>

**FY 2009 EPA Funding**

<table>
<thead>
<tr>
<th>Request for Proposals</th>
<th>Estimated Funding in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Clean Diesel Funding Assistance Program</td>
<td>$32</td>
</tr>
<tr>
<td>National Clean Diesel Emerging Technologies Program</td>
<td>$4</td>
</tr>
<tr>
<td>SmartWay Clean Diesel Finance Program</td>
<td>$6</td>
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<tr>
<td>State Clean Diesel Grant Program</td>
<td>$18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$60</strong></td>
</tr>
</tbody>
</table>
Alternative Fuels and Advanced Vehicles: State and Federal Incentives

EERE Consumer Incentives

Financial Opportunities for Consumers
Although the Office of Energy Efficiency and Renewable Energy does not directly fund consumer energy efficiency and renewable energy projects, many other opportunities exist. To learn more about financial opportunities for consumers and homeowners, visit the following sites:

- **Alliance to Save Energy**
  Through the Alliance to Save Energy Web site, you can get an overview of energy efficiency financing.

- **Database of State Incentives for Renewables & Efficiency (DSIRE)**
  This database includes state-by-state financial and regulatory incentives (such as tax credits, grants, rebates, and special utility rates) for renewable energy technologies.

- **Federal Tax Credits for Energy Efficiency**
  Information from ENERGY STAR on federal tax credits for home improvements, efficient vehicles, solar energy systems, and fuel cells.

- **Financing an Energy-Efficient Home**
  This fact sheet from the Department of Energy features an overview of energy-efficient financing programs from mortgages to home improvement loans.

- **Residential Energy Services Network (RESNET)**
  RESNET is a national network of mortgage companies, real estate brokerages, builders, appraisers, utilities, and other housing and energy professionals. This Web site offers state contact information for certified energy raters and lenders who know how to process energy efficiency mortgages, a home energy rating systems primer, and an overview of energy efficient mortgages.

- **U.S. Department of Energy Weatherization Assistance Program**
  DOE’s Weatherization Assistance Program works with states and local governments to enable low-income families to permanently reduce their energy bills by making their homes more energy-efficient.

- **U.S. Department of Housing and Urban Development: Energy-Efficient Mortgage Program**
  The Energy-Efficient Mortgage Program is one of many Federal Housing Authority programs that insure mortgage loans to encourage lenders to make mortgage credit available to borrowers, such as first-time homebuyers, who would not otherwise qualify for conventional loans on affordable terms.
### Energy Savings for Consumers

#### Appliances & Electronics
- Buying Efficient Products
- Estimating Energy Use
- Turning Off Computers

#### Designing & Remodeling
- Passive Solar
- Whole-House Design
- Zero-Energy Homes
- Log Homes
- Manufactured Homes
- Earth-Sheltered Homes
- Financing an Efficient Home

#### Electricity
- Reducing Electricity Use
- Buying Clean Electricity
- Making Clean Electricity
- Reading Electric Meters

#### Heating & Cooling
- Selecting & Replacing Your System
- Cooling Systems
- Heating Systems
- Heat Pumps
- Thermostats, Ducts, & Meters

#### Insulation & Air Sealing
- Weatherstripping & Caulking
- Insulation
- Controlling Moisture
- Ventilation

#### Landscaping
- For Your Climate
- For Your Microclimate
- Shading
- Using Windbreaks
- Conserving Water & Xeriscaping

#### Lighting & Daylighting
- Artificial Lighting
- Types of Lighting
- Turning Off Lights
- Natural Lighting

#### Water Heating
- Selecting a Water Heater
- Solar Water Heaters
- Demand (Tankless) Water Heaters
- Reducing Water Heating Bills
- Swimming Pool Heating
**Landscaping**

A well-designed landscape not only can add beauty to your home but it also can reduce your heating and cooling costs. On average, landscaping for energy efficiency provides enough energy savings to return an initial investment in less than 8 years.

Here you can learn more about the following elements of an energy-efficient landscape design:

**Climate**
Use energy-efficient landscaping strategies based on your regional climate.

**Microclimate**
Consider your home's microclimate along with your regional climate in your landscape design.

**Shading**
Use trees and other plants to help shade your home if needed to help reduce cooling costs.

**Windbreaks**
Use windbreaks—tree and/or shrub plantings—around your home if needed to help reduce heating costs.

**Water conservation**
Conserve water along with energy for a more sustainable landscape.
FTC: Information to Save Money on Energy

Saving Starts @ Home
The Inside Story on Conserving Energy

http://www.ftc.gov/energysavings
Weatherization Assistance Program

The Weatherization Assistance Program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. During the last 32 years, the U.S. Department of Energy's (DOE) Weatherization Assistance Program has provided weatherization services to more than 6.2 million low-income families.

By reducing the energy bills of low-income families instead of offering aid, weatherization reduces dependency and liberates these funds for spending on more pressing family issues. On average, weatherization reduces heating bills by 32% and overall energy bills by about $350 per year at current prices. This spending, in turn, spurs low-income communities toward job growth and economic development.

Oak Ridge National Laboratory gives technical support and evaluations.

The Weatherization Assistance Program Technical Assistance Center provides guidance for program operations and fosters community partnerships to advance weatherization.
Welcome to the Weatherization Assistance Program Technical Assistance Center

This site provides weatherization practitioners and other energy conservation professionals with information related to the Weatherization Assistance Program (WAP), its on-going operations, and its partnerships with stakeholders.

2008 Weatherization Assistance Program Briefing Book

The Department of Energy has created a comprehensive Weatherization Assistance Program Briefing Book. Each State has received one copy of the book. Click this link to view and print sections of the book.

2007 Funding Survey Now Available Online

The 2007 WAP Funding Survey has been completed and may be accessed electronically through the Survey Page of our website.

Client Education Video Footage Now on WAPTAC

Several public service announcements and an educational video have been published on YouTube and linked to WAPTAC’s Client Education page. These and other key videos promoting the program can be accessed through our online Weatherization Theater. If you have any clips you would like to submit for inclusion, please contact info@waptac.org.

Information Regarding STRIPES and FedConnect Transition

The Department of Energy is implementing the Strategic Integrated Procurement Enterprise System (STRIPES) during fiscal years 2008 and 2009. To do business with DOE, all current and potential acquisition and financial assistance awardees must now register with FedConnect portal.

To learn more, please refer to the attached memo or you may reference the official how to guide for using FedConnect.

http://www.waptac.org/