

Clean Energy Opportunities in the Inflation Reduction Act

Prairie Unitarian Universalist Society

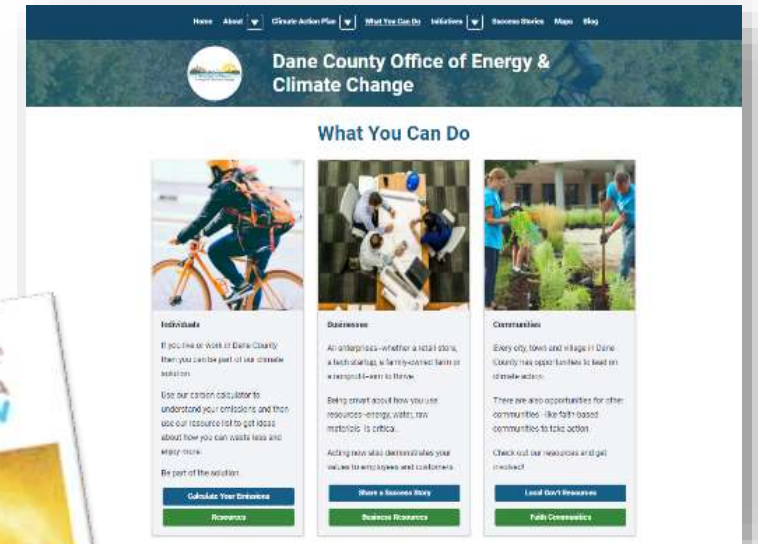
March 8, 2023



Kathy Kuntz, Director

Office of Energy & Climate Change

- Inside County Exec Parisi's Office
- Reduce emissions in county operations
- Reduce countywide emissions
 - 2020 Climate Action Plan
 - Sustainable Leaders Collaborative
 - Climate Champions Program
 - Partnerships!
- Find us at DaneClimateAction.org
 - **DaneOECC** on social media



Recent Federal Support for Climate Action

- Bipartisan Infrastructure Law (BIL)
 - Increased funding for fundamentals – state energy offices, low-income Weatherization Assistance Program, electric vehicle charging on highways
 - Mostly formula and competitive grants
- Inflation Reduction Act (IRA)
 - Financial incentives that make clean energy cheaper than fossil alternatives
 - Mostly (2/3) tax credits

Mostly we'll focus today on the IRA



New Dane County Resources

- Clear explanations
- Up-to-date information
- Links to forms
- Email alerts

[https://daneclimateaction.org/
what-you-can-do/federal-funding](https://daneclimateaction.org/what-you-can-do/federal-funding)

The screenshot shows the website of the Dane County Office of Energy & Climate Change. The header includes navigation links: Home, About, Climate Action Plan, What You Can Do, Initiatives, Success Stories, Maps, and Blog. The main heading is "Dane County Office of Energy & Climate Change". Below this, the section "The Inflation Reduction Act" is highlighted, followed by a paragraph explaining the act's significance. A sub-section "How You Can Take Advantage of the IRA" features two columns: "Individuals" with a photo of people on bicycles and a button to learn more, and "Businesses/Other Entities" with a photo of people at a meeting and a button to learn more. At the bottom, there is a "Projected Impact From IRA" section with a bar chart showing US federal government's average annual climate spending from 2010 to 2030, and a list of key impacts including clean energy jobs and domestic manufacturing.

Home About Climate Action Plan What You Can Do Initiatives Success Stories Maps Blog


Dane County Office of Energy & Climate Change

The Inflation Reduction Act

With an estimated \$369 billion in tax credits and financing for clean energy strategies, the Inflation Reduction Act (IRA) is the single largest U.S. investment in climate action. This funding makes pursuing clean energy solutions easier and more affordable than ever, putting our country on a path to reduce its emissions 40% by 2030.


The Dane County Office of Energy & Climate Change is sharing resources about the IRA to encourage everyone in Dane County to take advantage of these unprecedented opportunities to go green.

How You Can Take Advantage of the IRA



Learn more about how individuals can take advantage of the tax credits and grants available through the IRA.

Individuals



Learn more about how businesses, non-profits, local government, and schools can utilize tax credits, rebates, and grants available through the IRA.

Businesses/Other Entities

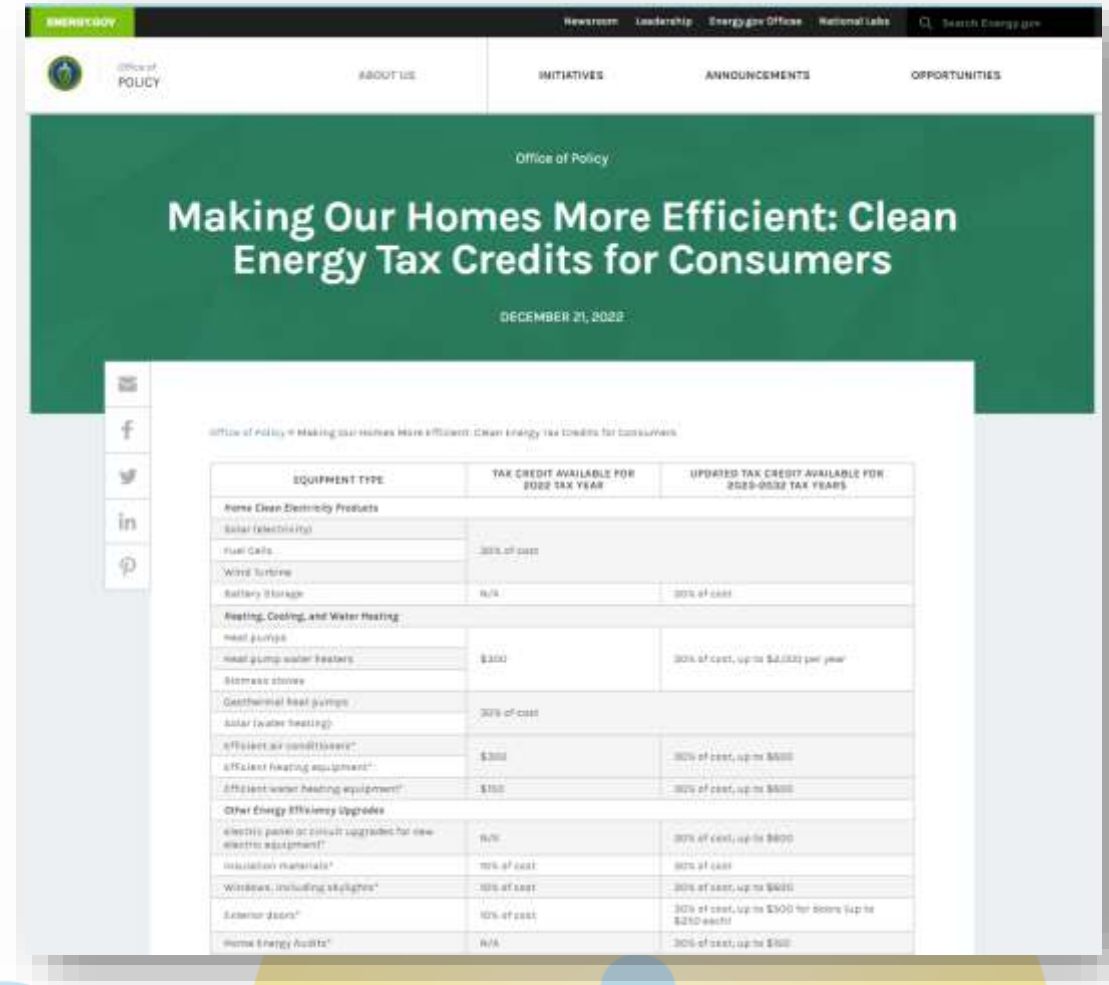
Projected Impact From IRA

The IRA's impact is projected to be substantial:

- **Clean Energy Jobs:** Bring an estimated \$4 billion of investment in large-scale clean power and storage to Wisconsin between now and 2030
- **Boost domestic manufacturing of clean energy and**

Tax Credits for Homeowners

- 30% for solar, battery storage, geothermal
 - Credits will carryover to next year's taxes
- Up to 30% of cost of eligible energy efficiency measures
 - Annual maximum of \$1,200 plus \$2,000 maximum for heat pumps
 - Do not carryover to next year
- Encourages a multi-year plan
 - Can claim this tax credit annually for different efforts...do an audit this year then do insulation next year, a new heating system the year after that...
- Claim on taxes the year after you do the work



Office of Policy

Making Our Homes More Efficient: Clean Energy Tax Credits for Consumers

DECEMBER 21, 2022

Office of Policy • Making Our Homes More Efficient: Clean Energy Tax Credits for Consumers

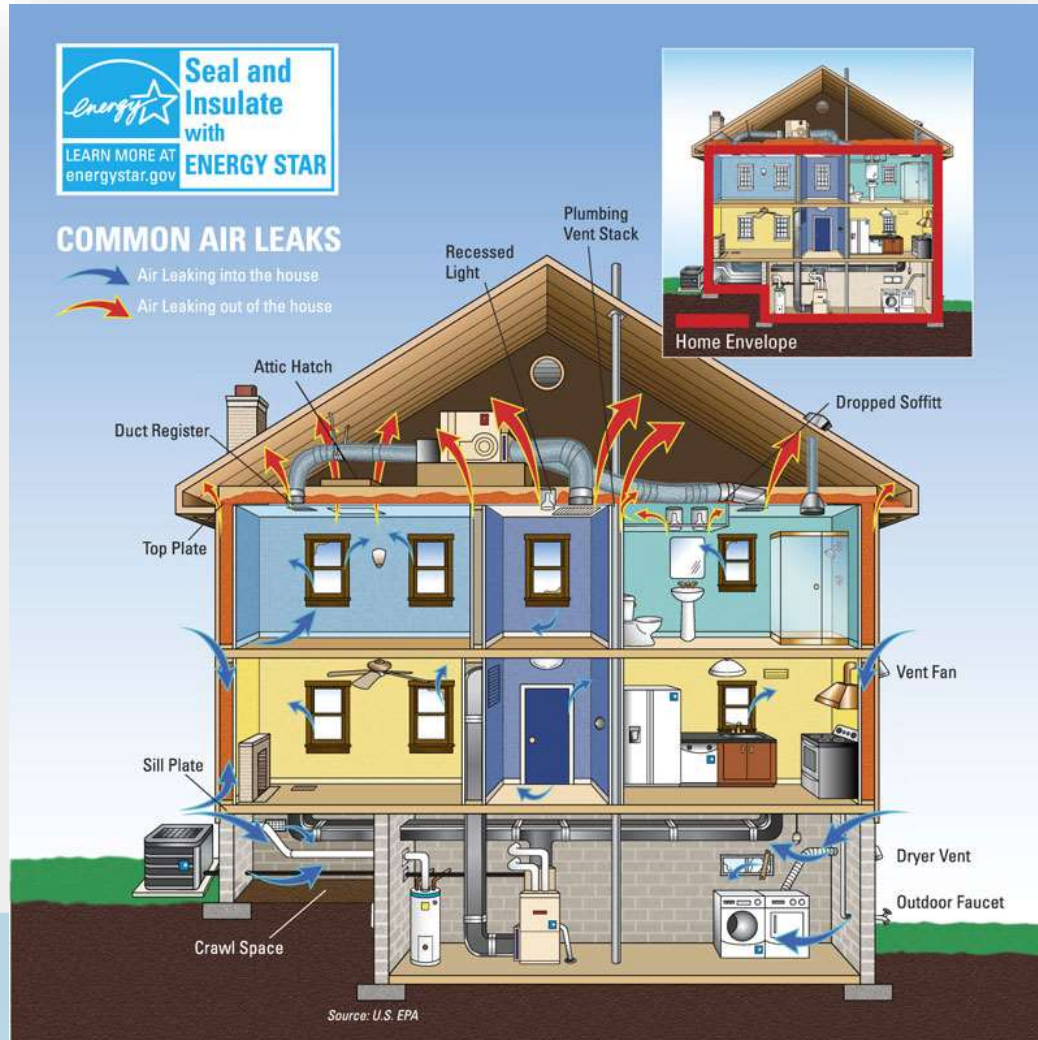
EQUIPMENT TYPE	TAX CREDIT AVAILABLE FOR 2022 TAX YEAR	UPDATED TAX CREDIT AVAILABLE FOR 2023-2032 TAX YEARS
Home Clean Electricity Products		
Solar (electricity)		
Fuel Cells	30% of cost	
Wind turbines		
Battery Storage	N/A	30% of cost
Heating, Cooling, and Water Heating		
Heat pumps		
Heat pump water heaters	\$200	30% of cost, up to \$2,000 per year
Geothermal storage		
Geothermal heat pumps	30% of cost	
Solar (water heating)		
Efficient air conditioners*	\$800	30% of cost, up to \$800
Efficient heating equipment**	\$100	30% of cost, up to \$100
Efficient water heating equipment†	\$100	30% of cost, up to \$100
Other Energy Efficiency Upgrades		
Electric panel or circuit upgrades for new electric equipment†	N/A	30% of cost, up to \$800
Insulation materials*	10% of cost	10% of cost
Windows, including skylights*	10% of cost	30% of cost, up to \$600
Exterior doors*	10% of cost	30% of cost, up to \$500 for doors up to \$250 each†
Home energy audits*	N/A	30% of cost, up to \$100

New Energy Efficiency & Electrification Programs

- Administered by states
 - \$149M for Wisconsin via Focus on Energy
- Energy efficiency incentives
 - Incentive level based on energy savings achieved
 - Single family and multi-family (landlords) are eligible
 - Higher incentives for low-moderate income folks
- Electrification incentives
 - Heat Pumps, Electrical Panel Upgrades, Induction Stoves
 - Up to 100% of cost for households < 80% of area median income
 - 50% for households 80% - 150% of area median income
 - Households > 150% of area median income are not eligible
- **Both programs likely to launch in 2024**
 - Federal guidance by summer 2023, then states have to create a plan...
 - If you install now you won't be eligible for these programs



The Big Efficiency Opportunity



ENERGY NEWS NETWORK

MIDWEST SOUTHEAST NORTHEAST WEST OPINION SPECIAL REPORTS NEWSLETTERS ABOUT JOB BOARD



MIDWEST

A hidden challenge for Minneapolis climate goals: shoddy insulation

In the country's coldest large city, an analysis reveals that about two-thirds of homes listed for sale since 2020 had inadequate insulation. Addressing the problem is key to reducing emissions and preparing for heat pumps.



by Frank Jossi
February 3, 2023



Credit: Tim Walters / Creative Commons

About two-thirds of homes being listed for sale in Minneapolis have inadequate insulation, according to a review of energy disclosure reports.

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TRENDING



Across the country, a big backlash to new renewables is mounting



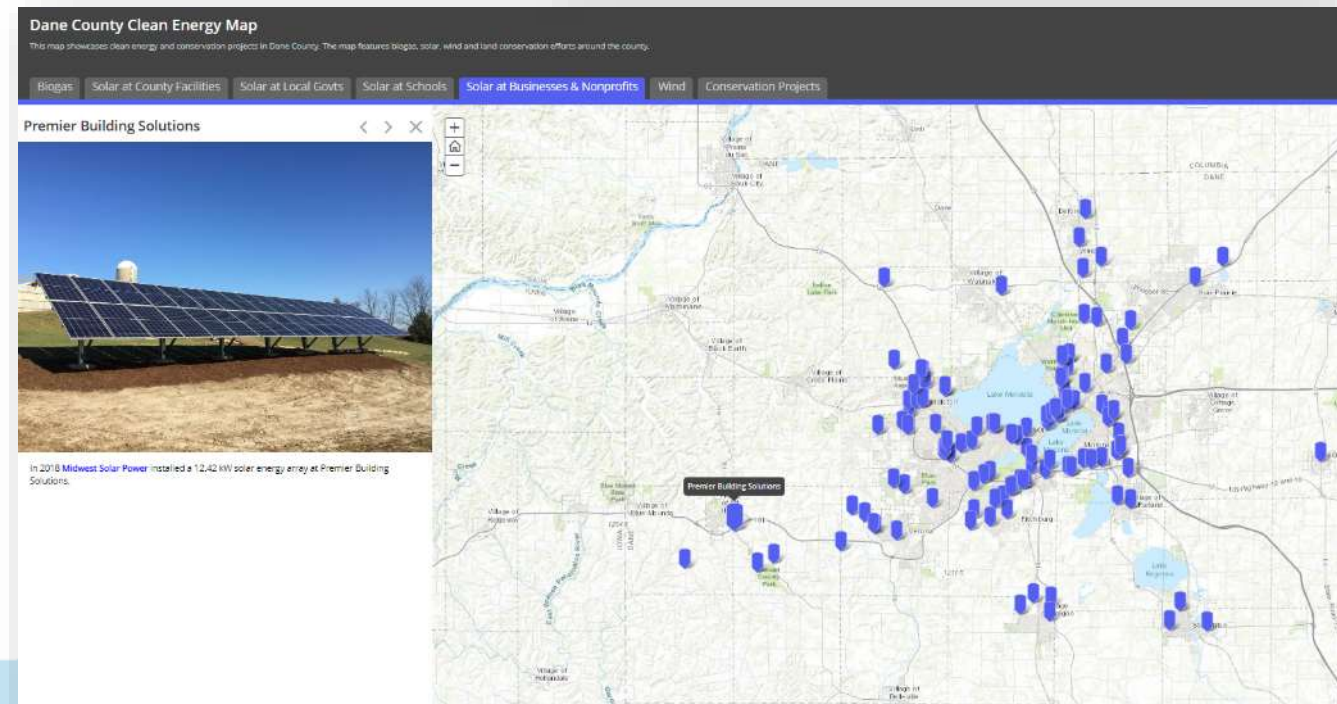
Complex energy legislation puts burden on Virginia's part-time lawmakers



What we know about Alice Parker, a

Solar in Dane County

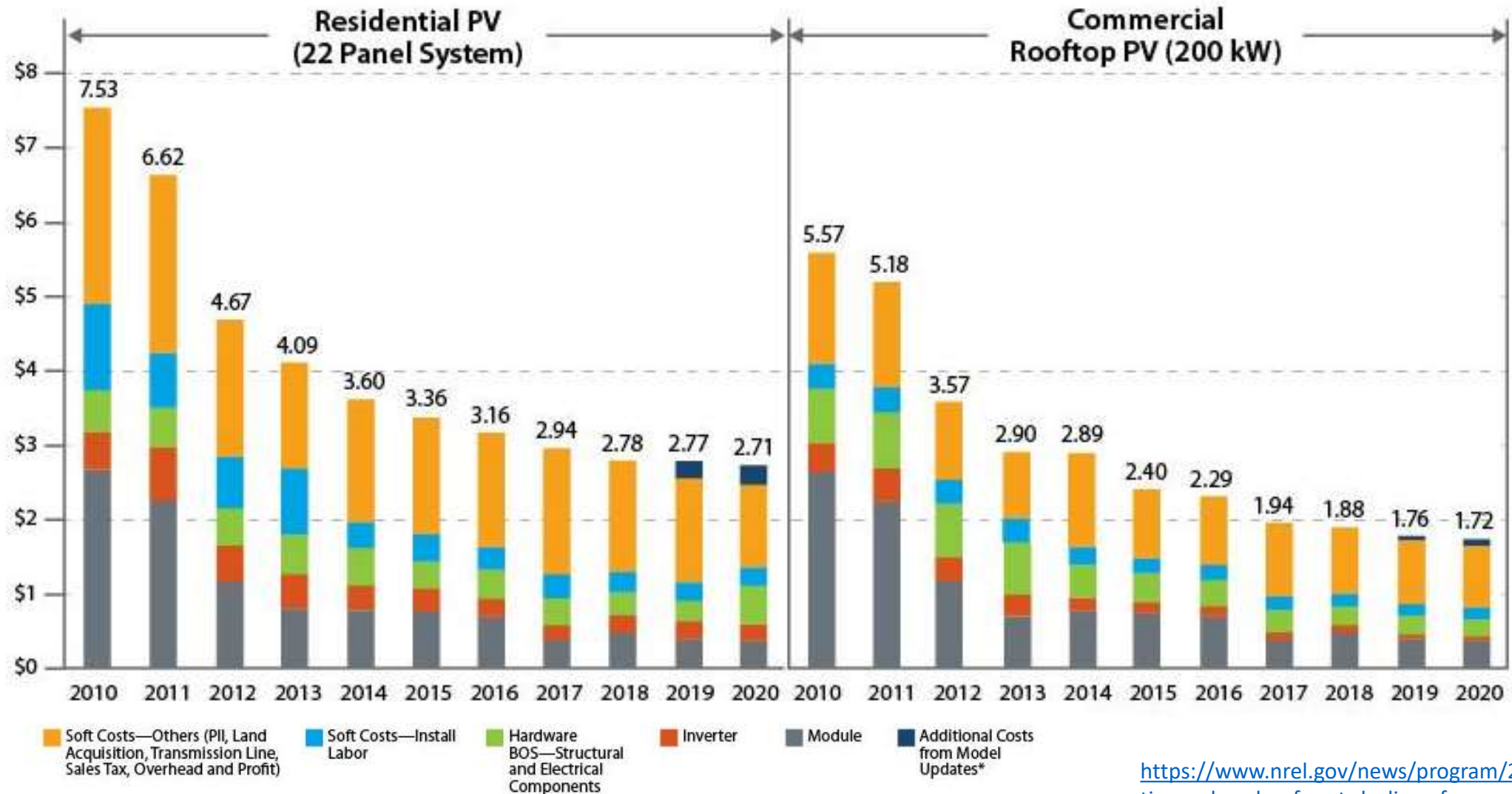
- More customer solar than anywhere else in Wisconsin
 - 100s of local installations
- Vibrant installer network
- MadiSUN group buy
 - Focus on Energy rebates
 - IRA tax credits
 - 30% of system cost



Solar Typically Tied to Electric Grid



Solar Electric Systems Are Increasingly Affordable



<https://www.nrel.gov/news/program/2021/documenting-a-decade-of-cost-declines-for-pv-systems.html>

The cost of solar continues to decline across residential, commercial, and utility-scale PV systems, driven largely by increased module efficiency as well as lowered hardware and inverter costs.

2023 Residential Example

- 7 kW array
 - About 9,500 kwh of electricity
 - Estimated cost \$24,000
- \$16,300 final cost
 - \$7,200 tax credit
 - \$500 Focus on Energy rebate
- Electric savings \$1,580/year



Some efficiency measures will have faster payback

Electric Vehicle Incentives: 2023 - 2032

- Up to \$7,500 for qualifying new vehicles
 - Increasingly rigorous requirements for battery components and assembly
 - Requirements do not apply to leased vehicles
 - Eliminates the manufacturer quotas
 - Not available for premium vehicles or high income folks
 - In 2024 can be instant rebate off purchase price
- Up to \$4,000 for a used EV
 - Sale price cannot exceed \$25,000
 - Individual income of \$150,000 or less to qualify



Tax Credits (And Direct Pay) for Businesses, Nonprofits Too

30% credit for solar,
battery storage and
geothermal

-Direct Pay available

Deductions for energy
efficiency upgrades
(new construction
and retrofits)

\$7,500 - \$40,000
credits for electric
vehicle purchases
-Direct Pay available

Can layer with Focus
on Energy and
PACE financing



Resources Make It Easy to Go Green

The screenshot shows the homepage of the Dane County Office of Energy & Climate Change. The navigation bar includes links for Home, About, Climate Action Plan, What You Can Do, Initiatives, Success Stories, Maps, and Blog. The main header features the organization's logo and name. Below this, a section titled "The Inflation Reduction Act" provides an overview of the act's significance. A sub-section, "How You Can Take Advantage of the IRA," offers guidance for individuals and businesses. At the bottom, a "Projected Impact From IRA" section highlights key benefits like clean energy jobs and investment in clean power.

Dane County Office of Energy & Climate Change

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Individuals

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Businesses/Other Entities

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This is a "Your Savings Calculator" from Rewiring America. It asks users to enter household information to determine potential savings from the Inflation Reduction Act. The form includes fields for Zip Code, Homeowner Status, Household Income, Tax Filing status, and Household Size. A "Calculate!" button is provided. Below the form, it displays "Your Personalized Incentives" as a table of three categories: Upfront Discounts (\$14,000), Available Tax Credits (\$4,150), and Estimated Bill Savings Per Year (\$1,100). The total incentives are summed as \$18,150. A disclaimer at the bottom states that the results are estimates and not guaranteed.

YOUR SAVINGS CALCULATOR

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

Enter your household information to find out.

Zip Code: 53711 | Homeowner Status: Homeowner | Household Income: \$85,000 | Tax Filing: Head of Household | Household Size: 4 people

Calculate!

Your Personalized Incentives

These are available to American homeowners and renters over the next 10 years.

UPFRONT DISCOUNTS	AVAILABLE TAX CREDITS	ESTIMATED BILL SAVINGS PER YEAR
\$14,000 <small>Covers up to 100% of costs</small>	\$4,150	\$1,100

Total Incentives: \$18,150

Disclaimer: This is an estimate. We do not yet know how or when upfront discounts will be implemented in each state, so we cannot guarantee final amounts or timelines.

The screenshot shows the Focus on Energy website. The header includes navigation links for About, News, Events & Training, Trade Ally Program, and Contact Us. The main visual is a large image of a man and a woman looking at a camera, with the text "FOCUS ON YOUR HOME" overlaid. Below the image, a message states that Focus on Energy empowers people and businesses in Wisconsin to make smart energy decisions with enduring economic benefits. A "Join Now" button is in the bottom right corner.

FOCUS ON YOUR HOME

Focus on Energy empowers the people and businesses of Wisconsin to make smart energy decisions with enduring economic benefits.

Join Now

<https://daneclimateaction.org/what-you-can-do/federal-funding>

Questions? Comments?

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DaneClimateAction.org

