

EMPOWER your customers to say:

YES!



Go Greener Academy

Sales Training & Resources
for NEIF-Approved Contractors

New Federal Funds and Incentives for Energy Efficiency

Go Greener Academy
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Presented by:
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Co-Chair and Founder

From NEIF- The National Leader in Energy Efficiency Financing

- The NEIF Seal of Approval for Contractors means:
- **Access to all of NEIF's financing programs**
 - Special **utility and government programs** for targeted improvements
 - **No Contractor-Fee** EnergyPlus financing for all types of home improvements
 - Small Business and **Commercial Financing** and **Rebate Advance** Funding
- **Reputational enhancement** for your company by association with the nation's only Certified B-Corp, US DOE Home Improvement Expert and FORTIFIED partner lender
- **Benefit from NEIF's Alliances** with green banks, utilities, manufacturers & associations for special insights and programs
- **Expert sales training, sales tools and support** for your team to increase closing rates
- **Marketing and branding programs** to help you differentiate your company, broaden your market and promote fair, trusted affordable financing options to your customer



Go Greener.
Affordably.



Today's Session



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- What are the emerging opportunities coming from new federal funding?
- The Details
- How will NEIF support you in accessing these new opportunities?

The Opportunities



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- In 2022, the Federal Government enacted the:
 - Infrastructure Investment Jobs Act (IIJA)
 - Inflation Reduction Act (IRA)
- Combined, these offer support in multiple different forms:
 - Tax incentives for commercial and residential energy markets
 - Grants and Rebates
 - Financing Incentives

The Tax Incentives



Focused here just on efficiency incentives.

- Commercial
 - 179D
- Residential
 - Electrification incentives
 - Expansion of efficiency incentives

The Commercial Tax Incentives



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- Commercial 179D incentive
 - Has been around since 2006
 - Made permanent in 2020
 - Eligible entities
 - Owners/tenants of commercial buildings
 - Owners of 4 story or greater multi-family buildings
 - Designers of:
 - Government-owned buildings
 - Not-for Profit buildings
 - Schools, universities, churches etc.
 - REITs

The Commercial Tax Incentives



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Commercial 179D incentive levels:

- **Base Deduction**
 - \$0.50/sf for building energy savings >25%
 - Scaled adder of \$1.00/sf for energy savings up to 50%
- **Bonus Deduction**
 - \$2.50/sf for energy savings up to 25% up to \$5.00/sf for savings of more than 50%
 - Available if meet the local prevailing wage & apprenticeship requirements
- Lifetime cap removed, with a 3-year cap substituted
- Prior cap was \$1.80/sf

The Commercial Tax Incentives



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Commercial 179D incentive levels:

- Maximums apply, based on building size. For example.
 - 50,000 sf = \$250,000 max
 - Compared to a prior max of \$90,000
- Deduction cannot exceed the the cost of the energy efficiency improvements
- A third-party P.E. must do an energy model and produce a report on the building

The Residential Tax Incentives



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Substantial Increases in Home Efficiency Tax Credits:

- Prior credit was a \$500 lifetime limit
- New incentive:
 - \$1,200 annual limit with a \$600 limit for any one item
 - Credit rate increases to 30% of cost from 10%.

The Residential Tax Incentives



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Eligible Measures for Home Efficiency Tax Credits:

- Windows
- Doors
- HVAC
- Heat pumps
- Biomass stoves
- Insulation & Air Sealing
- Energy Audits

The Residential Tax Incentives



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Credit Amounts: Home Efficiency Tax Credits:

- Each measure has a maximum credit.
 - Heat pumps have a maximum of \$2,000

For example:

A \$4,000 improvement x 30% = a \$1,200 credit

Eligible Homes

- Principal residence
- Second home
- Vacation home

The Rebates



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The IRA provided \$4.275 Billion in funding for states to administer rebates and grants for efficiency improvements.

- Focused on electrification.
- Available to households from 80%-150% of areawide median income:
 - Ranges, cooktops, induction ranges, ovens. (\$840)
 - Heat pump. (\$8,000)
 - Electrical wiring & panel upgrade (\$6,500)
 - Insulation & air sealing. (\$1,600)
- Households below 80% of areawide median income can claim the full cost of the upgrades.
- Capped at \$14,000.

The Financing



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The IIJA provided for \$250MM revolving loan fund capital.

- Administered by states
- Supports commercial and residential upgrades
- Typical efficiency upgrades supported for efficiency measures (lighting, HVAC, refrigeration etc.)
- Energy assessments required
- The \$250MM can be leveraged to bring in private capital.
 - Will result in a likely total capital pool in excess of \$1B
- Funds will become available next year
- NEIF is working with a number of states to provide assistance in leveraging and administering these funds

The NEIF Role



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How Can we Help You?

- Use us as a resource to understand the available incentives
- We can support you as you begin to incorporate these incentives into your sales pitch
- Over time, and as funds become available, we will begin to offer special finance that reflects the benefits of the RLF and other incentives. Stay tuned.

Thank You!



Any questions? We'd love to hear from you.



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