

# ENERGY PROJECT FUNDING FOR TOWNS AND TAX-EXEMPT GROUPS: THE INFLATION REDUCTION ACT

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WHAT PROJECTS ARE ELIGIBLE

WHAT IS ELECTIVE PAY AND HOW DOES IT WORK



# Renewable Energy Investment & Production Incentives – for Tax-exempt Groups & Businesses

- Investment credit - 30% of small project costs (<1mW)
- Production credit - 2.75 cents/kW for small projects (<1mW)
- Solar, Geothermal, Biomass, Small wind turbines, Hydro, Energy storage
- More requirements for full credit if big project (e.g. >1mW or 6-8acr solar field)
  - Investment incentive – from 6%, up to 30% if all criteria met (PWA)
  - Production incentive - from 0.5 cents/kW, to 2.75 cents/kW (PWA)
- Bonus credits available for meeting additional criteria
- EITHER Investment credit OR Production credit
- Elective Pay for tax-exempt, Tax credit for businesses



# Elective Pay = Direct Pay

- Cash repayments to tax-exempt groups, equal to the full value of tax credits
- Eligible entities
  - Local government
  - “Agencies and instrumentalities of state, local, tribal, and territorial governments”
  - 501(a), 501(c), 501(d)
- Must submit registration prior to filing



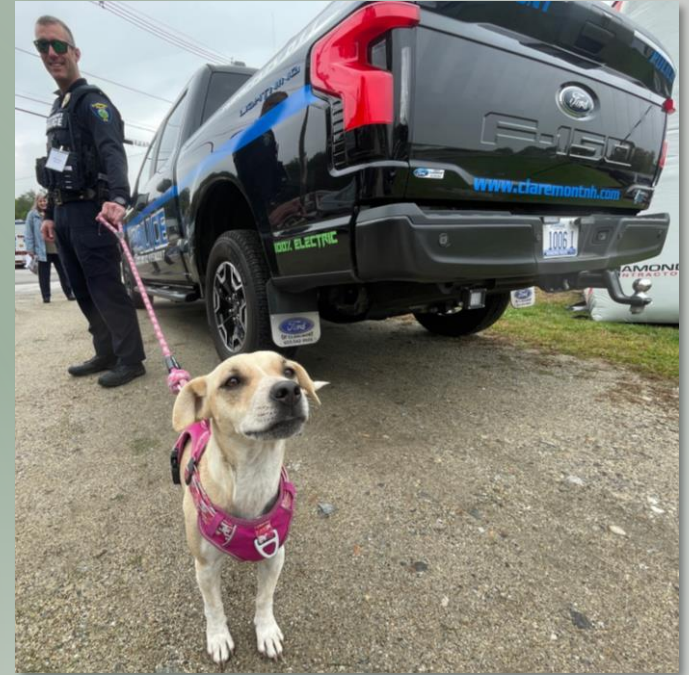
# EV Incentives for Municipalities and other Tax-exempt Groups

- Purchase of new vehicles
- Must pre-register and file tax form
- Qualified “Clean Commercial Vehicles” eligible for cash-back of \$3,750, \$7,500 (GW <14,000lbs) or up to \$40,000 (GW>14,000lbs)
  - Heavy duty vehicle credits
    - All-electric – 30% of cost
    - Plug-in hybrid – 15% of cost
- EV charging equipment – up to 30% credit, up to \$100,000 (PWA)



# NH Examples of EVs in Municipal Use

- Police Departments
  - Claremont (Ford F-150 Lightning)
  - Peterborough (Tesla)
  - Wolfeboro (Tesla Model Y)
- Schools
  - Henniker (4) & Rumney (3) (electric school bus – 2022 EPA Clean School Bus award)
- Facilities
  - Peterborough Water Treatment Plant (Ford F-150 Lightning)
  - Nashua – traffic enforcement (Ford Mach-E), health inspection (Nissan Leaf)



# IRA Energy Efficiency and Electrification Incentives for Homeowners and Renters

- Federal income tax credits and point-of-purchase discounts
  - energy efficiency - HOMES
  - electrification - HERA
  - renewable energy systems – rooftop solar, small wind turbines, battery storage
  - electric vehicles (EVs) and chargers
- Available now: [tax credits](#)
- From early fall: [up-front discounts](#)
- Tools to identify resident-specific opportunities
  - [Rewiring America Savings Calculator](#)
  - [US Department of Energy Savings Hub](#)
- Learn about efficient home appliance technology – [Electrify Now videos](#)



# EV Incentives for Taxpayers

- Personal - \$7,500 for purchase of new EV, \$4,000 for used
- (Commercial – same as municipal [see slide 4])
- From 2024 Clean Vehicle tax credit converted to up-front discount at dealership (but not *Commercial*/Clean Vehicle credit) - “transferability”
- Battery electric and plug-in hybrid vehicles
- EV charging equipment – 30% up to \$1,000 (rural - map)
- *Vehicle* specifics for new EVs, almost all used EVs up to \$25k, from a dealer
- *Buyer* income specifics
  - New \$150k/\$225k/\$300k
  - Used \$75k/\$112.5k/\$150k
- Buyer checklist

