



CPAs & BUSINESS ADVISORS

ENERGY INCENTIVE PROGRAM

Nonprofit Industry

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TODAY'S AGENDA

The \$1.2 Trillion Climate Economy

What is the Energy Incentive Program?

EB is the #1 Accounting Firm for Energy Efficiency Incentives

THE CLIMATE ECONOMY

\$374 billion of energy incentives according to the Congressional Budget Office

\$1.2 trillion of energy incentives according to Goldman Sachs



CLIMATE ECONOMY

10 Years of **Materiality**

10 Years of **Certainty**



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Energy Deduction Allocation

- Energy efficiency in lighting, envelope, HVAC
- Up to \$5/square foot deduction to designer
- Allocation Credit to exempt organization
- Falls under Section 179D of the tax code

Clean Energy Investment Tax Credit

- Investment in energy property
- Up to 6% or 30% plus 10% domestic bonus
- Direct pay for exempt organizations
- Falls under Section 48 of the tax code

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Clean Energy Investment Tax Credit (Section 48)

Investment in equipment that produces energy from alternative sources:

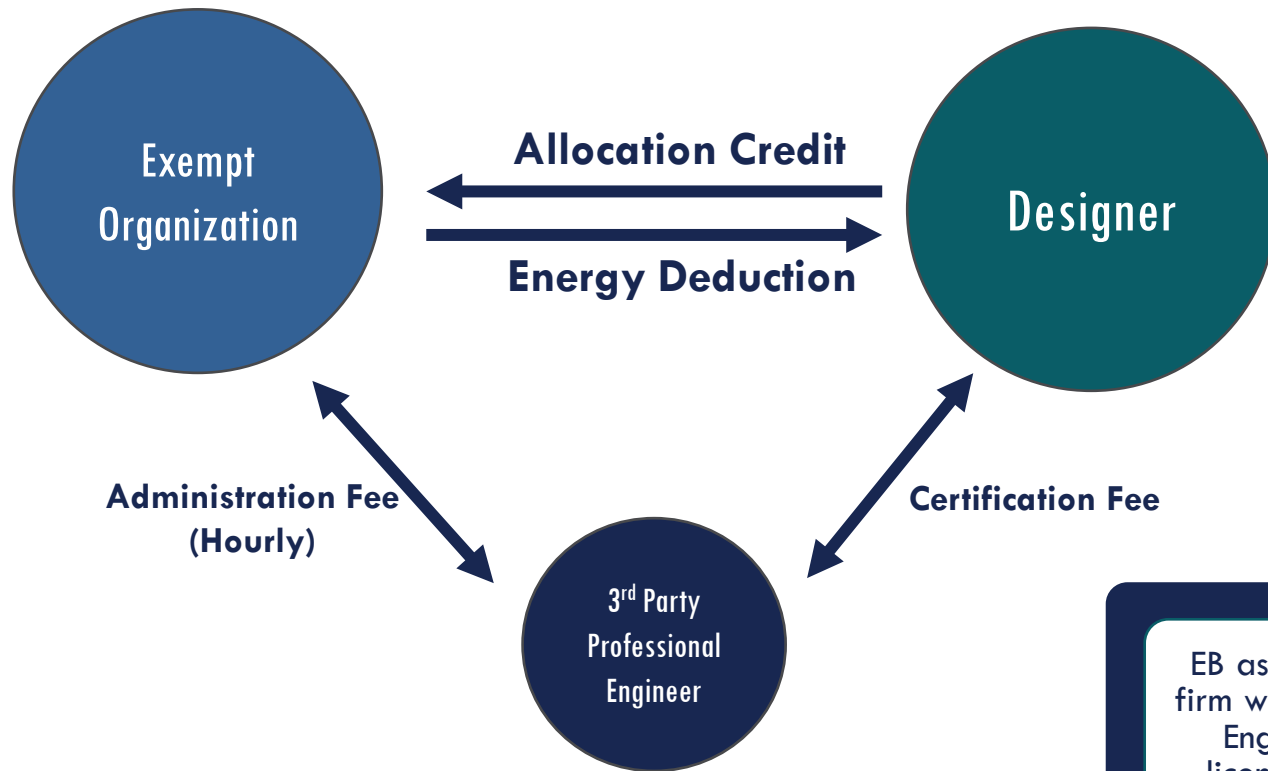
- Solar
- Wind
- Geothermal
- Fuel Cells
- Microturbines
- Combined heat and power systems
- Equipment that recovers waste energy
- Energy storage
- Biogas
- Microgrid controllers

WHAT DO I GET?

- Basic credit = 6% of cost
- If wage rules met = 30% of cost
- If domestic content = + 10%
- If in a “energy community” + 10%
- Additional bonuses for solar and wind with an environmental justice allocation.

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Energy Deduction Allocation (Section 179D)



The Exempt Organization assigns an Allocation Letter to the designer(s) at their “sole discretion” under penalties of perjury.

EB as a third-party firm with Professional Engineers (P.E.) licensed in all 50 states

“Designer(s)” such as the Architect, Engineer, General Contractor, Subcontractors (HVAC, Electrical, Structural)

Exempt Organization such as Healthcare, K-12, Higher Education, Government, Senior Living

KEY TAKEAWAYS

- We are the #1 Accounting Firm for Energy Efficiency Incentives
- We have an Energy Incentive Program team of 20 composed of CPA's, Energy Industry specialists, energy modelers and Professional Engineers
- Exempt Organizations such as hospitals, senior living, tribal nations, museums, education, universities and other nonprofit organizations are eligible for direct pay energy incentives in 2023 and beyond to help their funding efforts.
- For the first time in legislative history, energy incentives can be monetized by tax exempt organizations. Healthcare, Tribes, Governments and other nonprofits, along with the architects, engineers and contractors that design buildings for them, are all big winners in 2023 and beyond.



Triggers

Over 50,000 square feet of new or renovated building property that is placed in service in 2023-2032

AND/OR

Investing in energy property such as fuel cell, solar, geothermal, small wind, energy storage, biogas, microgrid controllers, combined heat and power



45L NEW ENERGY EFFICIENT HOME CREDIT – PRIOR VS. TODAY

SECTION 45L PRIOR

- Expired at the end of 2021
- Units sold/leased in an open tax year
- 3-stories or less
- \$1,000 credit per manufactured home
- \$2,000 credit per unit for single family and multifamily homes

SECTION 45L IN THE IRA

- \$2,000 per unit extended through 2022
- *Starting in 2023 through 2032:*
- **Any number of stories (sky is the limit)**
- **No basis reduction for LIHTC affordable housing**

Multifamily homes:

- Base Credit : \$500 or \$1,000 per unit
- Bonus Credit : \$2,500 or \$5,000 per unit
- *Single family and manufactured homes:*
- Base Credit : \$2,500 or \$5,000 per unit

ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION – PRIOR VS. TODAY

SECTION 179D PRIOR

- \$1.80-\$1.88 deduction per square foot
- Lighting, HVAC and Envelope
- Life-time cap
- Started in 2006 and has since been made permanent
- Applies to private owners, and designers of government buildings

SECTION 179D IN THE IRA

- Status quo for 2022
- Starting in 2023 through 2032:*
- Base Deduction: \$0.50 to \$1.00 per SF
- Bonus Deduction: \$2.50 to \$5.00 per SF
- Lighting, HVAC and Envelope
- **Three-year cap**
- **Enhancement for REITs**
- Applies to private owners, and designers of government, **Indian tribal government and certain tax-exempt entities buildings**

THE CLIMATE ECONOMY

- Power Marketing Administration transmission borrowing authority
- Electric grid reliability and resilience research
- **CHIPS for America Fund**
- **CHIPS for America Defense Fund**
- **CHIPS for America International Technology Security and Innovation Fund**

- Formula funding
- Competitive grants
- eMobility
- Increased contract authority

- 48C
- 45X
- Advanced Technology Vehicles Manufacturing Loan Program
- Domestic manufacturing conversion grants
- Advanced Industrial Facilities Deployment Program
- **Advanced Manufacturing Investment Tax Credit**
- Advanced energy manufacturing and recycling grants

- 45 Clean Energy Production Tax Credit (PTC)
- 45U Zero Emission Nuclear Power PTC
- 45V Hydrogen PTC
- 45Y Technology neutral PTC
- 48 Clean Energy Investment Tax Credit (ITC)
- 48E Clean Electricity Investment Credit

- Energy Infrastructure Act of 2021
- Army Corps of Engineers infrastructure priorities

- 30C Alternative Refueling Infrastructure
- 30D Clean Vehicle Credit
- 45W Qualified Clean Commercial Vehicles
- Clean Heavy-Duty Equipment and Vehicle Program
- Clean School Bus Program

- 40A Biodiesel and Alternative Fuels Credit
- 40B Sustainable Aviation Fuel Credit
- 45Z Clean Fuel Production Credit
- Alternative Fuel and Low Emission Aviation Technology Program*
- Incentives for biodiesel, renewable diesel and alternative fuels*

- 45L New Energy Efficient Home Credit
- 179D Energy Efficiency Commercial Buildings

- **45Q Carbon Capture and Sequestration Credit**
- Carbon removal
- Carbon storage validation and testing

