# Working Together to Leverage the Inflation Reduction Act

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MassEnergize Community of Practice
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Photo credit: Karolina Grabowska

# Inflation Reduction Act – for Residents

**What we know**

- Tons of new clean energy opportunities
- Will spur energy efficiency and clean energy in many states
- Most incentives take effect in 2023
- Moderate and low income households qualify for additional incentives

**What we don't know**

- How IRA and Mass Save programs will interact
- How Mass Save may adjust their incentives in 2023 due to IRA
- How state energy incentives will be delivered in Massachusetts
- What EV and PHEV will qualify

# When Does the Money Arrive?

**Have to wait for your $$**

- Tax incentive
- Tax credit
  - Carry-over year to year
  - No tax liability
- Rebate
- Incentive

**$$ now to reduce upfront cost barrier**

- Upfront discount
- Point of sale rebate

# Resources

- Rewiring America:
  - How much money could I save with the IRA?
  - IRA policy summary
- White House Summary: Clean Energy for All
- NRDC: Consumer Guide to IRA
- EERE: Solar Homeowners Guide Federal Tax Credit
- Solar.com: Home Energy Efficiency Rebates and Tax Credits
- Alternative Fuels Data Center: EV with Final Assembly in North America
- IRS: Qualified Plug-In EV Credit
- Mass Save: Residential
- Mass Save: Income Eligible
- Mass Save: Enhanced Residential (aka Moderate Income)

REWIRING AMERICA

YOUR SAVINGS CALCULATOR

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

## Enter your household information to find out.

We do not store this data.

Zip Code
90210

Homeowner Status

Household Income
$65,000

Tax Filing

Household Size

Calculate!

## HEEHRA Rebate Levels

For Qualified Electrification Projects

| Income Eligibility and % Costs Covered | |
|---|---|
| **Low-income:** <80% Area Median Income (AMI)<br>% costs covered (including installation) | 100% |
| **Moderate-income:** 80-150% AMI<br>% costs covered (including installation) | 50% |
| **Overall Incentives** | |
| Max consumer rebate | $14,000 |
| Max contractor rebate | $500 |
| **Rebates for Qualified Electrification Projects** | |
| Heat pump HVAC | $8,000 |
| Heat pump water heater | $1,750 |
| Electric stove/cooktop | $840 |
| Heat pump clothes dryer | $840 |
| Breaker box | $4,000 |
| Electric wiring | $2,500 |
| Weatherization<br>insulation, air sealing, ventilation | $1,600 |

https://www.rewiringamerica.org/app/ira-calculator

25C = 30% tax credit up to $1,200 / year for audits, weatherization, electric panel exclusive of heat pumps

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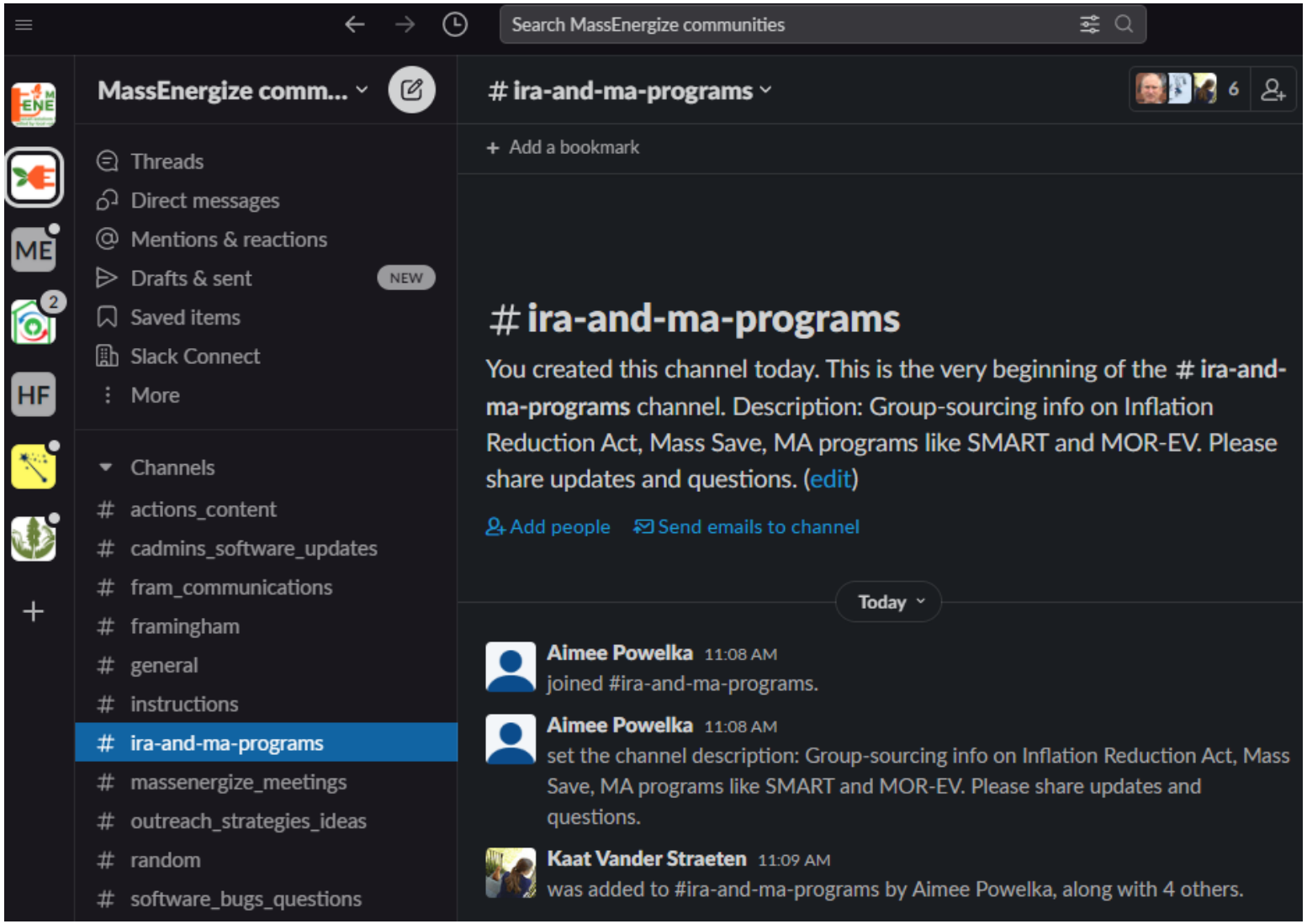
# MassEnergize IRA Resources for Your Community

- Comprehensive table of both IRA and *current (as of Oct 2022)* state and/or Mass Save incentives by specific clean energy action
- Language to update your MassEnergize platform actions
- Network of communities to share resources and outreach efforts
  - New Slack channel
  - "MassE Community" google group (community@massenergize.org)

# Slack: ira-and-ma-programs channel



# *2022* - Weatherization – Market Rate

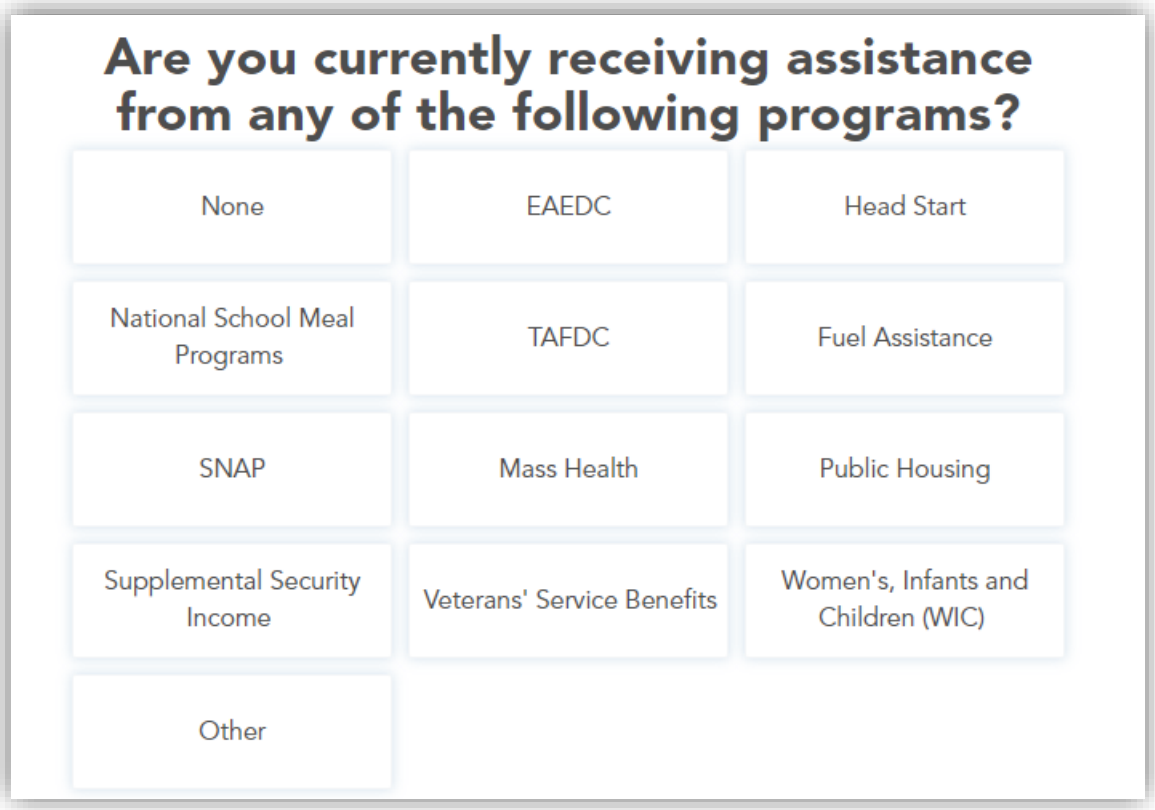
| Action | Federal Incentives | Mass Save | Heat Loan<br>$500 - $25k<br>@ 0% x 7 years |
|---|---|---|---|
| Insulation & air sealing | 10% tax credit | 75% - 100% off insulation<br>100% for renters and landlords in 1-4 unit buildings | Qualifies |
| Windows | 10% tax credit | Existing windows must be verified prior to removal<br>$75 per window to upgrade single pane to triple pane Energy Star certified windows | Qualifies |
| Doors | 10% tax credit | none | ??? |

# 2023 - Weatherization – Market Rate

| Action | Inflation Reduction Act Incentives | Caps | **Mass Save as of 2022 ** *Likely to change in 2023* | Heat Loan $500 - $25k @ 0% x 7 years |
|---|---|---|---|---|
| Insulation & air sealing | 30% tax credit of up to $1,200 per year | tax credits for weatherization subject to $1,200 annual 25C cap | *75% - 100% off insulation*<br>*100% for renters (1-4 units)*<br>*No-cost air sealing included in energy audit* | Qualifies |
| Windows | 30% tax credit up to $600 per year<br>additive with upfront discount | tax credits for weatherization subject to $1,200 annual 25C cap | *Existing windows must be verified prior to removal*<br>*$75 per window to upgrade single pane to triple pane Energy Star certified windows* | Qualifies |
| Doors | 30% tax credit up to $250/door, max of $500<br>additive with upfront discount | tax credits for weatherization subject to $1,200 annual 25C cap | *none* | ???? |
| Barrier Mitigation (knob & tube, vermiculite or asbestos insulation removal) | | | Pre-weatherization incentives up to $250 available for knob and tube wiring, ventilation issues or other pre-weatherization barriers | Qualifies |

# Low & Moderate Income Thresholds - Area Median Income (AMI)

| Number of Household Members | Annual Household Income 2022 – 2023 Heating Season | |
|---|---|---|
| | < 80% AMI | 80-150% AMI |
| | Income Eligible Program | Enhanced Residential Program |
| 1 | < $42,411 | $42,412 – $56,548 |
| 2 | < $55,461 | $55,462 – $73,948 |
| 3 | < $68,511 | $68,512– $91,348 |
| 4 | < $81,561 | $81,562 – $108,748 |
| 5 | < $94,610 | $94,611 – $126,147 |
| 6 | < $107,660 | $107,661 – $143,547 |
| 7 | < $110,107 | $110,108 – $146,809 |
| 8 | < $112,554 | $112,555 – $150,072 |
| 9 | < $115,001 | $115,002 – $153,335 |




https://masssave-qualify.clearesult.com/

https://www.masssave.com/en/saving/energy-assessments/enhanced-residential-program

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# Weatherization – Low & Moderate Income

| Action | Inflation Reduction Act Incentives | Caps | **Mass Save as of 2022 ** *Likely to change in 2023* |
|---|---|---|---|
| Insulation, air sealing & ventilation | Mod: 50% rebates<br>Low: 100% rebates | $1,600 total cap for insulation, air sealing and ventilation | Mod: 100%<br>Low: 100% |
| Barrier Mitigation (knob & tube, vermiculite or asbestos insulation removal) | | HEERA capped across all measures at $14,000 per household | Knob and tube mitigation or vermiculite removal up to $7,000 |

Note: This is not comprehensive for moderate and low income weatherization offerings.

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# 2022-2032 - Solar & Batteries

| Action | Inflation Reduction Act Incentives | State Programs | Heat Loan<br>$500- $25k<br>@ 0% x 7 years |
|---|---|---|---|
| Install solar PV | 30% tax credit of equipment and installation costs, including inverter. INCLUDES all 2022 installs. | Tax credit up to lesser of: $1,000 or 15% of qualifying costs<br>PLUS:<br>IF you OWN your panels: monthly incentives from Solar Massachusetts Renewable Target Program (SMART) | Does NOT qualify |
| Install battery storage | 30% tax credit of equipment and installation costs | *2022*<br>Connected Solutions<br>Eversource<br>National Grid<br>Get paid for reducing energy use during peak times | Qualifies |
| Upgrade your electric panel | 30% uncapped tax credit if done with rooftop solar | ??? | Qualifies |

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# Heat Pumps – Market Rate

| Action | Inflation Reduction Act Incentives | Caps | **Mass Save as of 2022 ** *Likely to change in 2023* | Heat Loan $500- $25k @ 0% x 7 years |
|---|---|---|---|---|
| Ground source heat pump | 30% tax credit | | *$15,000 whole home* | Qualifies |
| Air source heat pump | 2022 - $300 tax credit<br>2023-32 - $2,000 / year | subject to $14,000 HEERA cap | *$10,000 whole home*<br>*$1,250 / ton partial home* | Qualifies |
| Electric panel upgrade | 30% up to $600 per year if done with a heat pump or heat pump water heater (25C) | | | Qualifies |
| Heat pump water heaters | 30% tax credit up to $2,000 per year | subject to $14,000 HEERA cap | *2022*<br>*$750 instant discount* | Qualifies |

Note: Both Mass Save and IRA offer efficient fossil rebates as

# Heat Pumps – Low & Moderate Income

| Action | Inflation Reduction Act Incentives | Caps | **Mass Save as of 2022 ** *Likely to change in 2023* | Heat Loan $500- $25k @ 0% x 7 years |
|---|---|---|---|---|
| Ground source heat pump | 30% tax credit | | *non-gas heat conversions*<br>*$30,000 max whole home*<br>*$10,000 max partial home* | Qualifies |
| Air source heat pump | $2,000 | subject to $14,000 HEERA cap | *non-gas heat conversions*<br>*$16,000 max whole home*<br>*$8,000 max partial home* | Qualifies |
| Electric panel upgrade | Mod: 50% up to $4,000<br>Low: 100% up to $4,000 | | | Qualifies |
| Electric rewiring | Mod: 50% up to $2,500<br>Low: 100% up to $2,500 | subject to $14,000 HEERA cap | Knob and tube mitigation up to $7,000 | Qualifies |
| Heat pump water heaters | Upfront discount<br>Mod: 50% up to $1,750<br>Low: 100% up to $1,750 | subject to $14,000 HEERA cap | *2022*<br>*$750 instant discount* | Qualifies |

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# 2023 - Electric Vehicles

| Action | Inflation Reduction Act Incentives | Caps | MOR-EV state rebates |
|---|---|---|---|
| Buy a NEW electric or plug-in hybrid electric vehicle | Tax credit up to $7,500 for certain new EVs<br>Max MSRP of $55,000 passenger or<br>max MSRP of $80,000 for vans, SUVs and pickup trucks | Modified adjusted income limits:<br>Individual > $150,000<br>Head of household > $225,000<br>Joint filing > $300,000 | 2022 $1500-$2500 rebate<br>2023 point of sale, start date TBD<br>$3,500 new EV purchase or lease purchase price < $55,000<br>$1,500 new plug-in hybrid EV<br>$1,000 extra for turn in combustion engine |
| Buy a USED electric or plug-in hybrid electric vehicle | 30% tax credit up to $4,000 for used EVs | Modified adjusted income limits:<br>Individual > $75,000<br>Head of household > $125,000<br>Joint filing > $150,000 | 2022 rebate<br>2023 point of sale, start date TBD<br>$3,500 new or USED EV purchase; purchase price < $55,000<br>$1,500 new plug-in hybrid EV<br>$1,000 extra for turn in combustion engine |
| Purchase or lease a battery electric or fuel-cell medium duty / heavy duty truck | | | <u>MOR-EV Trucks</u><br>$5,000 - $15,000<br>Purchase or lease min. 48 months<br>Sales price > $50,000<br>Gross Vehicle Weight Rating > 8,500 lbs<br>Public or private vehicles |

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# 2024 - Electric Vehicles

| Action | Inflation Reduction Act Incentives | Caps | MOR-EV state rebates |
|---|---|---|---|
| Buy a NEW electric or plug-in hybrid electric vehicle | Up to $7,500 in tax incentives for certain new EVs given directly to the dealer is in effect an upfront discount | Modified adjusted income limits:<br>Individual > $150,000<br>Head of household > $225,000<br>Joint filing > $300,000 | $3500 point of sale incentive |
| Buy a USED electric or plug-in hybrid electric vehicle | $4,000 tax credit for "income-qualified“ is given directly to the dealer is in effect an upfront discount.<br>min. 2 years old<br>cost $25,000 or less | Modified adjusted income limits:<br>Individual > $75,000<br>Head of household > $125,000<br>Joint filing > $150,000 | $3500 point of sale incentive |
| Purchase or lease a battery electric or fuel-cell medium duty / heavy duty truck | | | MOR-EV Trucks<br>$5,000 - $15,000<br>Purchase or lease min. 48 months<br>Sales price > $50,000<br>Gross Vehicle Weight Rating > 8,500 lbs<br>Public or private vehicles |

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# 2023 - 2032 - Electric Vehicles – Low Income

| Action | Inflation Reduction Act Incentives | Caps | MOR-EV state rebates |
|---|---|---|---|
| Buy a NEW electric or plug-in hybrid electric vehicle | 2023: Up to $7,500 in tax credit<br>2024: upfront discount (incentives for certain new EVs given directly to the dealer)<br>Max MSRP of $55,000 passenger or max MSRP of $80,000 for vans, SUVs and pickup trucks | Income limits apply | $3500 point of sale incentive |
| Buy a USED electric or plug-in hybrid electric vehicle | $4,000 tax credit for "income-qualified“ is given directly to the dealer is in effect an upfront discount.<br>min. 2 years old<br>cost $25,000 or less | Income limits apply | $3500 point of sale incentive |
| Install an EV charger 2023-2032 | ONLY for low-income or rural communities<br>30% tax credit up to $1,000 | | |

# Appliances – Market Rate

| Action | Inflation Reduction Act Incentives | **Mass Save as of 2022 **<br>*Likely to change in 2023* |
|---|---|---|
| Replace a gas dryer with a heat pump clothes dryer | Limited to low & moderate income | *$50 rebate for Energy-Star certified dryer* |
| Replace a gas stove | Limited to low & moderate income | *Existing unit must be verified prior to removal*<br>*$500 replace a natural gas or propane stove with an induction stove* |
| Replace a clothes washer | Limited to low & moderate income | *Existing unit must be verified prior to removal*<br>*$150 max for new Energy Star certified washer* |
| Purchase battery-powered lawn equipment | n/a | *Lawn Equipment Rebates*<br>*$75 lawnmower*<br>*$30 leafblower*<br>*$30 string trimmer*<br>*$30 chainsaw* |

# Appliances – Moderate & Low Income

| Action | Inflation Reduction Act Incentives | **Mass Save as of 2022 ** | Notes |
|---|---|---|---|
| Replace a gas dryer with a heat pump clothes dryer | Mod: 50% up to $840<br>Low: 100% up to $840 | | |
| Replace a gas stove | Mod: 50% up to $840<br>Low: 100% up to $840 | | Electric resistance and induction stoves both qualify<br>Cannot be used to replace an electric stove |
| Replace a clothes washer | | Low income - provided at no cost if existing appliance is inefficient | |
| Purchase a new dehumidifier | | Low income - provided at no cost if existing appliance is inefficient | |
| Replace a refrigerator or furnace | | Low income - provided at no cost if existing appliance is inefficient | |

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# Whole Home – Market Rate

| Action | Federal Incentives | Notes |
|---|---|---|
| Energy audits | 30% tax credit up to $150 per year<br>tax credits for weatherization subject to $1,200 25C cap | Available at no cost to Mass Save customers |
| Whole Home Retrofits | Retrofits with modeled energy system savings of:<br>35 percent or more: the lesser of $4,000 or 50 percent of project costs<br>20-34 percent: the lesser of $2,000 or 50 percent of project costs<br>15 percent or more: a payment rate per kWh saved up to $2,000 for a 20 percent reduction in energy use | Most useful for homes with electric resistance heating or high-income households |
| New Construction 2022-2024 | | Up to $40,000 for all-electric new construction<br>Highest incentives available in pre-design stage |

# Update Your MassEnergize Actions

# Share with Other Communities

- Network of communities to share resources
  - Energize Framingham IRA newsletter article
  - Green Newton list of electric vehicles for sale
- Multiply your work by leveraging communication and outreach efforts from other MassE communities
  - Framingham Sustainability Committee – Framingham Public Library
    - Get Comfy with Heat Pumps – Jan. 23 @ 7pm
    - Show Me the Money…for Electric Vehicles – Feb. 6 @ 7 pm
- Learn about and support Municipal IRA opportunities
  - American Cities Climate Challenge: Federal Funding Opportunities for Local Decarbonization (FFOLD)