

Federal (IRA) and State Incentives for Energy Efficiency and Climate Resiliency

SEEMA MALANI, CHFA

seema.malani@chfa.org

DISCLAIMER: This document has been compiled by CHFA as an informational resource only for assisting developers and owners of multifamily affordable housing in understanding the various Federal and State energy incentives. It does not constitute legal or financial advice, and CHFA and its employees do not guarantee the accuracy, completeness, or legal liability of the information provided.



Inflation Reduction Act Incentives

Green and Resilient Retrofit Program (GRRP)

Greenhouse Gas Reduction Fund (GGRF)

- Solar for All (SfA)
- Natl Clean Investment Fund (NCIF)
- Clean Communities Investment Accelerator (CCIA)

§48 Energy Investment Tax Credit

§45L Energy Efficient Home Tax Credit

HOMES Rebate Program

High-Efficiency Electric Home Rebate Program



Green and Resilient Retrofit Program (HUD)



Invests in energy efficiency, greenhouse gas emissions reductions, energy generation, healthy housing, and climate resilience strategies in HUD-assisted multifamily housing

Grant/loan subsidy for \$837.5 million/ up to \$4 billion in loan authority

Three funding cohorts available:

Elements Cohort – Gap Financing; Up to \$140M; 750k/project; 40k/unit

Leading Edge Cohort – Green certification; Up to \$400M; \$10M/project; 60k/unit

Comprehensive Cohort – Deep retrofits; Up to \$1.47B; \$20M/project; 80k/unit

Rolling application submission process through May 2024



Greenhouse Gas Reduction Fund (EPA)



\$27 billion investment to mobilize financing and private capital to address the climate crisis. Awards are anticipated to be announced September 2024

Solar for All

\$7 billion in competitive grants to states, territories, Tribal governments, municipalities, and nonprofits to expand existing low-income solar programs or design and deploy new Solar for All programs nationwide. Grantees will provide subsidies and other financial assistance to residential rooftop and residential-serving community solar projects in and benefiting low-income and disadvantaged communities

National Clean Investment Fund

\$14 billion NCIF competition will provide grants to 2–3 national nonprofit clean financing institutions capable of partnering with the private sector to provide accessible, affordable financing for clean technology projects across the country.

Clean Communities Investment Accelerator

\$6 billion CCIA competition will provide grants to 2–7 hub nonprofits that will, in turn, deliver funding and technical assistance to build the clean financing capacity of local community lenders working in low-income and disadvantaged communities

§48 Energy Investment Tax Credit (IRS)

The Investment Tax Credit allows taxpayers to deduct a percentage of the cost of renewable energy systems from their federal taxes. IRA expanded the program and extended it through 2032. Notably, it no longer decreases LIHTC eligible basis.

The base credit value is 30% for projects meeting prevailing wage and apprenticeship requirements or for those less than 1 MW + Stackable Bonus Credits

Bonus Credits (Must apply to receive credits)

Domestic Content: 10%

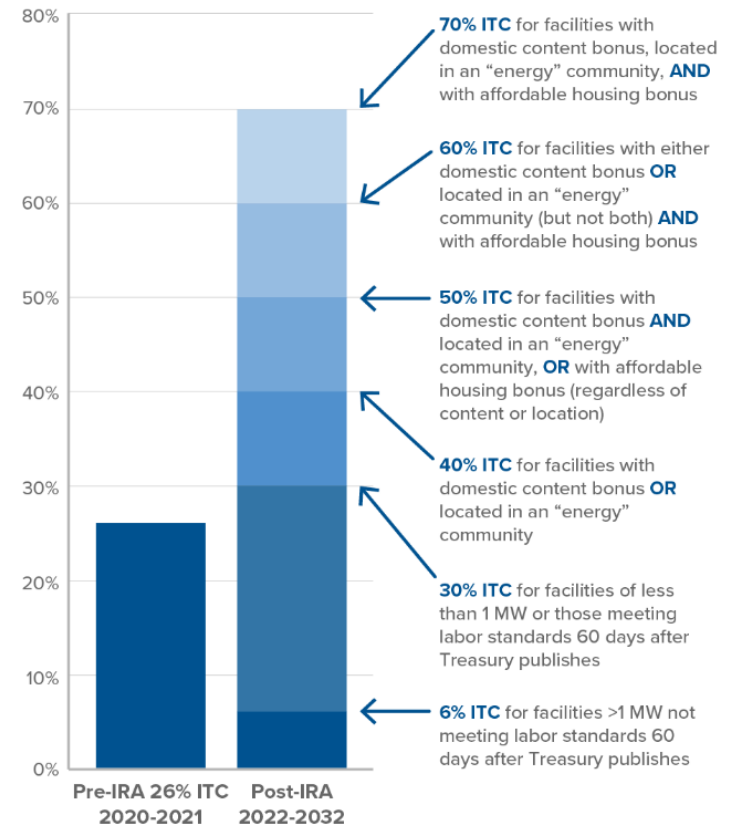
Energy Community (brownfield area): 10%

Low-income communities and Indian land: 10% - 20%

Affordable housing and economic benefit projects: 20%

Can be claimed on Standalone Energy Storage systems
 Earned immediately upon Placed-in-Service
 Direct Pay Option and Transferability allowed

Inflation Reduction Act:
 Renewable Energy ITC Including Stackable Bonuses



Source: Novogradac

§45L Energy Efficient Home Credit (IRS)

It provides tax credit for eligible new or substantially reconstructed homes that meet applicable ENERGY STAR home program or DOE Zero Energy Ready Home (ZERH) program requirements. IRA extends the tax credit through 2032 and increases tax credit amounts. Tax credit amounts vary depending on the level of building energy performance and whether prevailing wage requirements for building construction are met (see chart below).

| New Energy Efficient Home Credit Extension | | |
|--|------------------------|-----------------------|
| Energy Performance | Meets Prevailing Wage? | Tax Credit Amount |
| ENERGY STAR New Construction | No | \$500/dwelling unit |
| DOE's Zero Energy Ready Homes | No | \$1,000/dwelling unit |
| ENERGY STAR New Construction | Yes | \$2,500/dwelling unit |
| DOE's Zero Energy Ready Homes | Yes | \$5,000/dwelling unit |

Earned immediately upon Placed-in-Service

No longer decreases LIHTC eligible basis

HOMES Rebate Program (DOE/CT DEEP)

\$4.3 billion available through September 30, 2031, for grants to State Energy Offices to provide rebates for the costs of energy efficiency retrofits that are modeled to achieve or have achieved verifiable minimum energy use reductions.

Multifamily buildings with more than 50% of dwelling units occupied by households with incomes at or below 80% AMI (LMI multifamily) qualify for higher incentive levels as summarized below.

| HOMES Rebate Program- Energy Performance-Based, Whole-House Rebates | |
|--|---|
| Energy Savings Level | Maximum Rebate |
| LMI multifamily with modeled energy system savings of 20-34% | The lesser of \$4,000/ dwelling unit or 80% of project cost |
| LMI multifamily with modeled energy system savings of 35% or more | The lesser of \$8,000/ dwelling unit or 80% of the project cost |
| LMI multifamily with measured energy savings of 15% or more | A payment rate per kWh saved up to \$4,000 for a 20% reduction in energy use per dwelling unit for the average multifamily building in the state or 80% of the project cost |

High-Efficiency Electric Home Rebate Program (DOE/CT DEEP)

\$4.5B available through September 30, 2031, for grants to States and Tribes to provide point-of-sale consumer rebates for qualified home electrification projects

| High-Efficiency Electric Home Rebate Program Amounts | |
|---|--|
| Measure | Rebate Amount |
| Heat pump water heater | Up to \$1,750/appliance |
| Heat pump for space heating or cooling | Up to \$8,000/appliance |
| Electric stove, cooktop, range, or oven | Up to \$840/appliance |
| Electric heat pump dryer | Up to \$840/appliance |
| Electric load service center upgrade | Up to \$4,000 |
| Insulation, air sealing, and ventilation | Up to \$1,600 |
| Electric wiring | Up to \$2,500 |
| Maximum rebate: | |
| <ul style="list-style-type: none"> - An eligible entity receiving multiple rebates - Multifamily w/ 50% or more residents w/ incomes between 80-150% AMI - Multifamily w/ 50% or more residents w/ incomes less than 80% AMI | <ul style="list-style-type: none"> -Maximum allowable rebate- \$14,000 -Up to 50% of the cost of the electrification project -100% of the cost of the electrification project |

State Incentives

Weatherization Barrier Remediation Program

Weatherization Assistance Program (WAP)

Energize CT All-Electric New Construction

Energize CT All-Multifamily Retrofit

Residential Renewable Energy Solution (RRES)

Shared Clean Energy Facility (SCEF) Program

Energy Storage Solutions



Weatherization Barrier Remediation Program (CT DEEP/ICAST)

The program addresses health and safety issues, such as mold and asbestos, that prevent the completion of residential weatherization and energy efficiency measures. The eligibility is set at 60% of the State Median Income.

For Preservation Only

Weatherization Assistance Program (CT DEEP/ICAST)

The program assists low-income persons in minimizing energy-related costs and fuel usage in their homes through retrofits and home improvement measures. The eligibility is set at 60% of the State Median Income. For multi-family dwellings, at least two-thirds of the tenants must be income-eligible.

For Preservation Only



Energize CT All-Electric New Construction

(Eversource/UI)

Residential customers building a new all-electric home or gut rehab that will receive electric service from Eversource or UI may qualify for this program

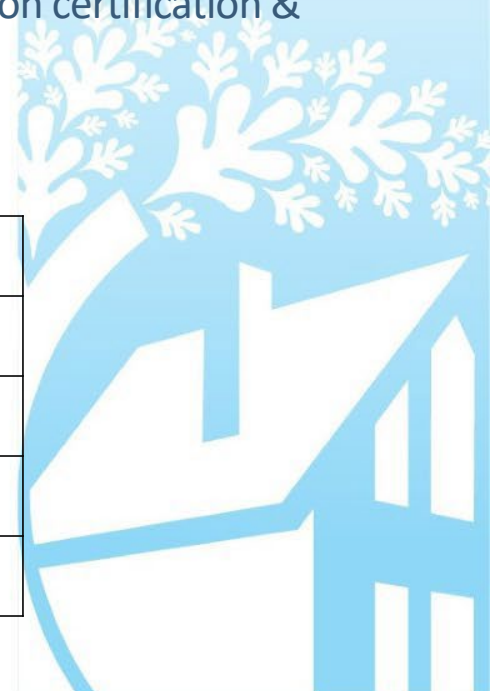
Base HERS Incentive: \$1,500 - \$6,500 per unit (depending on HERS score & dwelling unit type)

All-Electric Home Incentive: \$1,500 - \$10,000 per unit based on Tier Range & dwelling type

High Performance Bonus Certification: \$250 - \$1,500 per unit based on certification & dwelling type

Contacts:

| UI Customers | Eversource Customers |
|--|--|
| Program Administrator | Program Administrator |
| Call 877-WISE-USE | Nicholas Jones |
| (877) 947-3873 | (860) 665-5825 |
| ui.rnc@uinet.com | nicholas.jones@eversource.com |



Energize CT - Multifamily Retrofit

(Eversource/UI)

This program assesses and provides customized energy efficiency solutions to existing multifamily properties. It includes air sealing, faucet aerators and low-flow showerheads, lighting, insulation, windows, high-efficiency heating, ventilation, or air conditioning, ENERGY STAR® certified appliances, high-efficiency water heating systems, energy-saving control strategies on building equipment, solar PV and other renewable energy systems

Income Eligible: Up to 90% of Project Cost for Comprehensive Projects, Up to 75% of Measure Cost for Single End Use Projects, and Up to 100% of Installed Cost for Direct Install Measures.

Market Rate: Up to 65% of Project Cost for Comprehensive Projects, Up to 50% of Measure Cost for Single End Use Projects, and Up to 100% of Installed Cost for Direct Install Measures.

Contacts: [Eversource](#) [UI](#) [Connecticut Green Bank](#)

Residential Renewable Energy Solution (RRES)

(Eversource/UI)

RRES replaces the net metering and residential solar investment program. Eversource/UI purchase energy and RECs from renewable energy projects for 20 years. Multifamily affordable housing (MFAH) projects are compensated at \$0.2984/kWh and 20% of the project's financial benefits must be shared with tenants (as on-bill credits in individually metered buildings, or to fund an approved measure in master-metered buildings)

Eligible Multifamily affordable housings (MFAH) are:

- LIHTC properties

- MFAH with majority of households earning 80% or less AMI

- MFAH w/more than 66% residents having income at or below 60% SMI

- NOAH (MF in HUD QCT)

- MFAH reviewed by DEEP, CTGB, DOH, and CHFA

Contacts: [Eversource RRES](#) [UI RRES](#)



Shared Clean Energy Facility (SCEF) Program (Eversource/UI)

SCEF provides eligible electric customers with an opportunity to receive benefits from clean energy sources. Subscribers get on-bill credit of \$0.025/kWh based on the average monthly load of the electric account, at no cost to customer. This credit will last for 20 years.

Subscriptions are allocated via a lottery by Eversource, and customers are provided an option to "opt-out" of receiving the credit.

Only affordable multifamily properties are eligible, and the enrolled electric account must be owned by the property's landlord. CHFA/DOH have provided a list of eligible MFAH properties to enter the lottery but MFAH property owners can also apply to be considered to receive a SCEF subscription. Priority will be given to housing facilities that cannot install on-site solar (must apply).

Contacts: [Eversource SCEF](#) [UI SCEF](#)

Energy Storage Solutions

(Green Bank/Eversource/UI)

Energy Storage Solutions is designed to help customers install energy storage and be more secure in the face of our changing climate. It lowers the cost of a battery by providing both upfront and performance incentives

Upfront incentives - up to \$7,500 in exchange for allowing the battery to reduce their home’s demand from the electrical grid on hot summer days for 10 years.

Performance incentives - paid twice a year for 10 years based on how your battery performs during peak summer and winter days.

| | Residential Upfront Incentive (\$/kWh) | | | |
|-----------------|--|----------|-------------|------------|
| | Installed Capacity | Baseline | Underserved | Low-Income |
| Step 1 | 10 MW | \$200 | \$300 | \$400 |
| Step 2 | 15 MW | \$170 | \$300 | \$400 |
| Step 3 | 25 MW | \$130 | \$300 | \$400 |
| Grid Edge Adder | + 50% | + 50% | + 50% | + 50% |

| | Residential Performance Incentive (\$/kW) | | | |
|-----------|---|--------|--------------|--------|
| | All customers | | | |
| | Years 1 - 5 | | Years 6 - 10 | |
| Season | Summer | Winter | Summer | Winter |
| Incentive | \$200 | \$25 | \$115 | \$15 |

THANK YOU

