



# **THE INFLATION REDUCTION ACT AND OUR INDUSTRY'S FUTURE: PREPARING TO MARKET THE TAX CREDITS**

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Energy Circle Webinar Series

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# Upcoming Webinars & Events

~~**August 10** - Heat Pumps: How Consumers Search~~

**August 24** - Inflation Reduction Act and Our Industry's Future w Abby Yolda

**Sept 7** - Contractor Panel: Overcoming Objections to High Performance Whole House Jobs

**Sept 20-22** - EEBA Conference, Scottsdale, AZ

**Sept 23-25** - Raterfest Conference, Georgetown, CO

**Nov 7-8** - Upper Midwest Home Performance Conference, Minneapolis, MN



# What We'll Discuss

- 1 OVERVIEW: KEY PROVISIONS AFFECTING RESIDENTIAL EFFICIENCY, HEAT PUMPS, SOLAR**
- 2 KEY LESSONS FROM SOLAR ITC MARKETING**
- 3 TIMING OF ROLL OUT & HOW TO FOCUS YOUR EFFORTS**
- 4 BROADER IMPLICATIONS & MARKET IMPACTS**





**BUILDING  
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**(((•))) Live WEBINAR**

## **The Inflation Reduction Act of 2022: What it Means for the Industry & How it Will Impact Your Business**

**Tuesday, August 30 at 12:00 p.m. ET**

Next week, the [first in our series of webinars](#) takes place covering the Inflation Reduction Act of 2022. BPA Vice President of Government Affairs, Policy, and Programs, Kara Saul Rinaldi, will provide an overview of this historic legislation and offer key insights into:

- Residential energy efficiency and electrification rebates
- Training grants
- Other complementary programs



# **THE IRA'S KEY PROVISIONS & TIMING**

# 25C—Energy Efficient Home Improvements

- Credit revived and made retroactive for 2022 (at original 10%)
- Starting in 2023, credit increases to 30% of total installation costs through 2032
- Lifetime cap of \$500 will be replaced by cap of \$600 per measure, with \$1,200 annual total limit (exceptions listed below)
- Eligible services and home improvements include:
  - Heat pumps and heat pump water heaters (\$2,000 credit)
  - Insulation and air sealing
  - Energy audits (\$150 credit)
  - Energy-efficient HVAC systems (including furnaces, boilers, and central AC)
  - Electrical panel upgrades
  - Energy-efficient windows and doors (\$500 credit for doors)
- Roofs are no longer eligible



# 45L—Energy Efficient Home & Multifamily

- Credit revived and made retroactive for 2022 (at original \$2,000)
- Starting in 2023, credit increases to \$2,500 (EnergyStar 3.1) and \$5,000 (Zero Energy Ready) for single-family
- Starting in 2023, multifamily credit is \$500/unit (EnergyStar Multifamily program, and higher with prevailing wage)
- Starting in 2023, manufactured homes credit is \$2,500 (EnergyStar Manufactured Homes v2)
- All last through 2032



# Federal Solar Tax Credit

- Increases 2022 credit to 30% and makes it retroactive for all installations this year
- Credit extended at 30% through 2032; will step down in 2033 and be eliminated for residential in 2035
- Starting in 2023, stand-alone battery storage qualifies for credit





# \$4.3 Billion in HOMES Rebates

- Rebates up to \$4,000 for home energy efficiency retrofits with modeled energy savings of 35% or more (or \$2,000 for 20-34% energy savings)
- Services can include insulation, air sealing, heat pump/HVAC upgrades, and more
- Additional rebates up to \$8,000 available for low and moderate-income homeowners
- Rebates cannot be combined with other federal grants or rebates
- Depending on location, state/local rebates may stack
- Allocation by state is via DOE formula (1/3 evenly, 1/3 population, 1/3 energy use)



# \$4.5 Billion High Efficiency Electric Home

- Rebates for low and moderate-income homeowners for electric system/ appliance purchases and energy efficiency upgrades
- Maximum rebate of \$14,000; individual rebates are as follows:
  - Heat pump water heaters: \$1,750
  - Heat pump HVAC systems: \$8,000
  - Electric stoves: \$840
  - Heat pump clothes dryers: \$840
  - Electrical panel upgrades: \$4,000
  - Insulation, air sealing, and ventilation: \$1,600
  - Electric wiring: \$2,500
- Rebates cannot be combined with other federal grants or rebates





# **LESSONS FROM SOLAR TAX CREDIT MARKETING**

# Learning from Solar

**Solar ITC Began in 2006**  
**30%\* no limit**



# The Solar Playbook

- Build tax credit/rebate campaigns into your marketing
- Permanent incentives/rebates/financing landing page(s)
- Educational content (FAQs, specific blogs, videos, infographics, keyword targeting)
- Get ahead of your competition (first mover advantage)
- Position as the incentives expert with cluster content (blogs, videos, infographics...)
- Steady stream of fresh incentive-related content
- Push rebates and incentives in search, display and social ads





# **IMPLICATIONS & POTENTIAL MARKET IMPACTS**

# Implications and Potential Market Impacts

- Potential delay in 2022 jobs (waiting for rebate)
- Potential delay in early 2023 (while rebates get implemented)
- Annual tax credits may incentivize multi-year jobs
- Anticipate a new level of seasonality—projects installed by year end
- LMI opportunity is significant: income level targeting is key
- Homeowners will be confused: should you offer a Comprehensive Electrification Plan (for example)
- How long will funding last? Urgency marketing.





# QUESTIONS?

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