

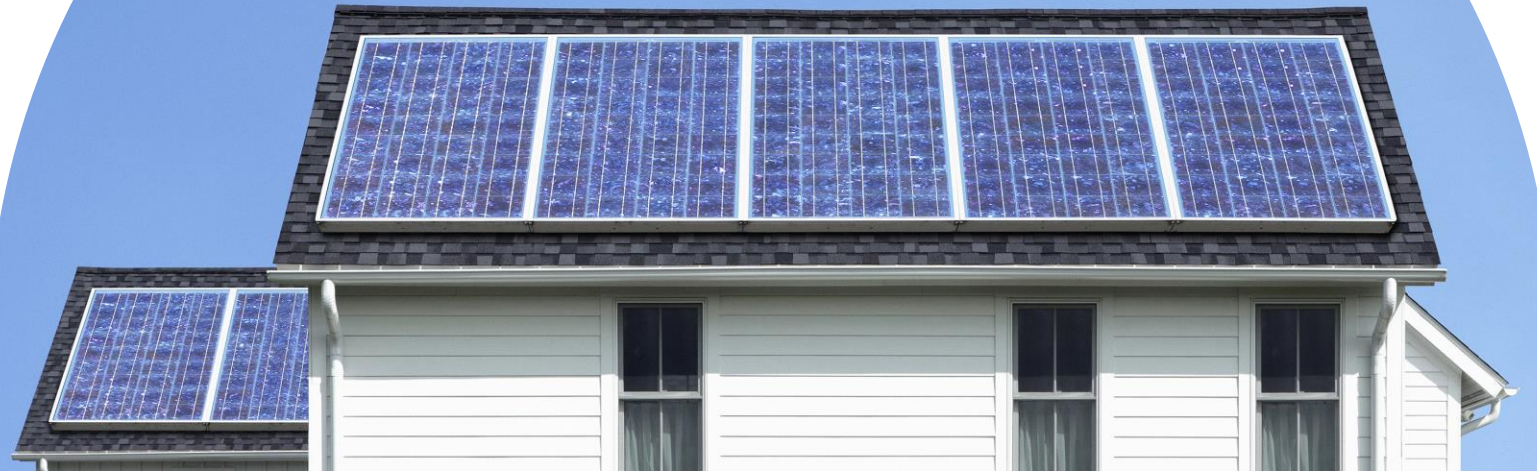
# Clean Energy Funding Update

Status of tax credits and programs  
available under the IRA and IIJA

Nikki Vandivort | FUSE Executive Fellow  
July 23, 2025



Green Cincinnati Plan 2023



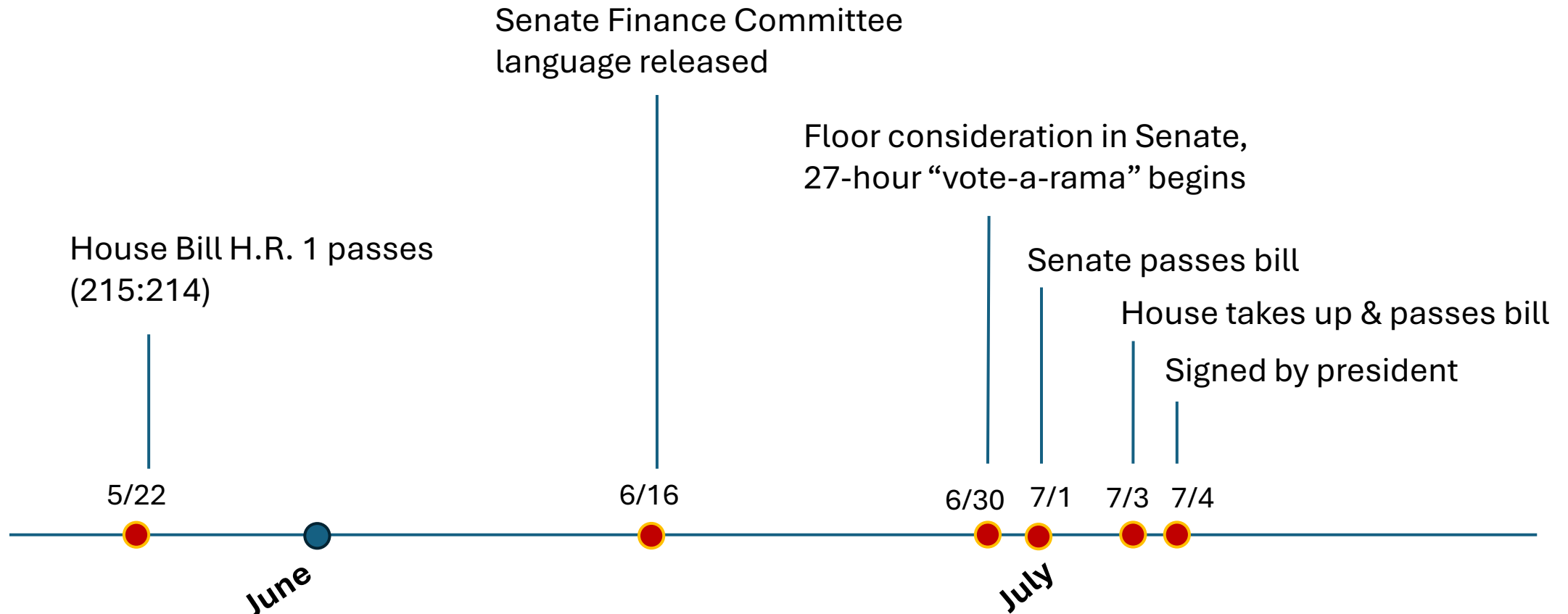
# Agenda

---

- Recap: What happened?
- Tax Credit Update
- Grants & Loans Update
- What to do if your grant is terminated?
- Strategy for near-term clean energy spending
- Open Funding Opportunities

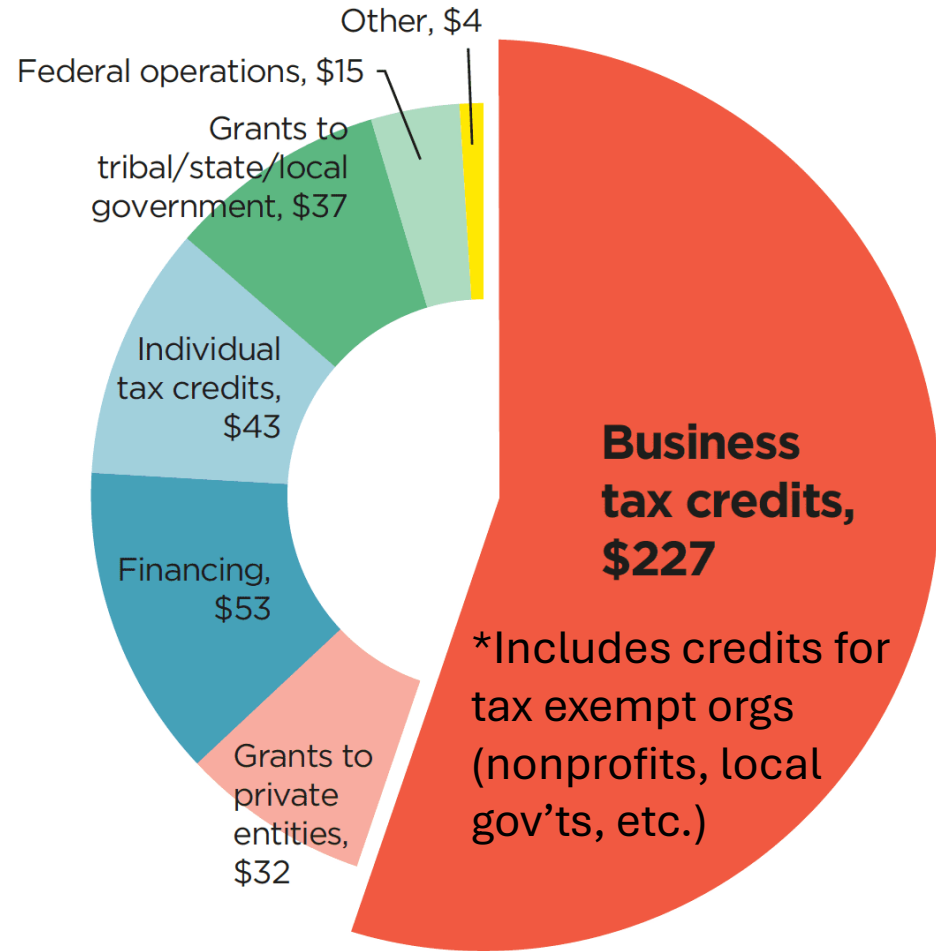
*Disclaimer: This presentation includes an overview of certain IRA tax, grant, and loan provisions for general information purposes only and is not itself tax or legal guidance.*

# HR1 Budget Reconciliation Bill Timeline



Sources:  
<https://www.achrnews.com/articles/164795-ira-tax-credits-still-face-the-axe-in-senate-version-of-big-beautiful-bill>  
<https://www.msn.com/en-us/news/politics/thune-runs-into-big-beautiful-bill-time-crunch-ahead-of-july-4-deadline/ar-AA1HhWq8>  
<https://kpmg.com/us/en/taxnewsflash/news/2025/06/sfc-tax-title-budget-reconciliation-bill-tax-exempts.html>  
<https://rollcall.com/2025/07/01/big-beautiful-budget-reconciliation-package-passes-senate/>  
<https://www.congress.gov/bill/119th-congress/house-bill/1/all-actions>

**Figure 2. The largest share of IRA funding will be available as tax credits to businesses (billions of dollars)**



## IRA Tax Credits

- Geared towards consumers, businesses, and tax-exempt entities
- Represented ~ 2/3 of the incentives in the original IRA (the other half included grant and loan programs)
- References in the following slides to “25C”, “30D”, etc., are to the [U.S. Code Title 26: Internal Revenue Code](#). See Subchapter A > Part IV – Credits Against Tax > Subparts A, B, D, and E.

# Legend

- **GREEN:** Individuals (often including renters!) and Multifamily (sometimes)
- **ORANGE:** Individual & Tax Exempt/Nonprofit
- **PURPLE:** Business & Tax Exempt/Nonprofit
- **BLUE:** Business
- **BLACK:** All of the above

# IRA Tax Credit Modifications: Consumers

HR1 **accelerates the end dates** of the following credits:

- **25C Energy Efficient Home Improvement Credit:** Residential Heat pumps, hot water heaters, doors, windows, insulation, and associated electrical upgrades. Sec. 70505 of H.R.1.

New Eligibility Timeline: Property must be placed in service prior to **December 31, 2025**

- **25D Residential Clean Energy Credit:** Residential solar, geothermal heat pump, battery backup, etc. Sec. 70506.

New Eligibility Timeline: Expenditures must be made prior to **December 31, 2025**

- **30D New Clean Vehicle Credit and 25E Used Clean Vehicle Credit:** EV credits geared towards consumers. Sec. 70502 and Sec. 70501.

New Eligibility Timeline: Acquired prior to **September 30, 2025**

# IRA Tax Credit Modifications: Business

HR1 **accelerates the end dates** of the following credit and deduction:

- **45L New Energy Efficient Home credit:** Geared towards developers of new energy-efficient houses and apartments. Sec. 70508.

New Eligibility Timeline: Acquired by a person from eligible contractor prior to June 30, 2026

- **168(e)(3)(B) Cost Recovery for Clean Energy Property:** Modified Accelerated Cost Recovery System, or MACRS. Taxpayers with qualifying facilities and clean energy property may take bigger tax deductions, leaving them with lower taxable income in the early years of a clean energy investment. Sec. 70509.

New Eligibility Timeline: Retroactive; the 5-year MACRS for solar and wind property will no longer be available to property which began construction after 2024 (regardless of the bill enactment date)

Sources:

<https://www.congress.gov/bill/119th-congress/house-bill/1/text>

<https://www.novoco.com/notes-from-novogradac/the-final-one-big-beautiful-bill-act-is-bad-news-for-solar-wind-home-energy-efficiency-other-clean-energy-tax-credits>

<https://docs.google.com/document/d/12Rnvf6RDUwCewHGazLshKFh39Rv3lkbgp2Vfl1O24dQ/edit?tab=t.0#heading=h.8k08xz9gui9w>

# New Energy Efficient Home Credit (45L)

This credit applies to **new single family, multifamily, and manufactured homes**, as well as **existing homes that undergo a deep energy retrofit**. This credit does not reduce LIHTC basis (Low-Income Housing Tax Credit).

**Eligibility:** Developers of all residential buildings (single and multifamily). **To qualify, a multifamily dwelling unit must meet the national and regional requirements of the most recent ENERGY STAR Multifamily New Construction program.**



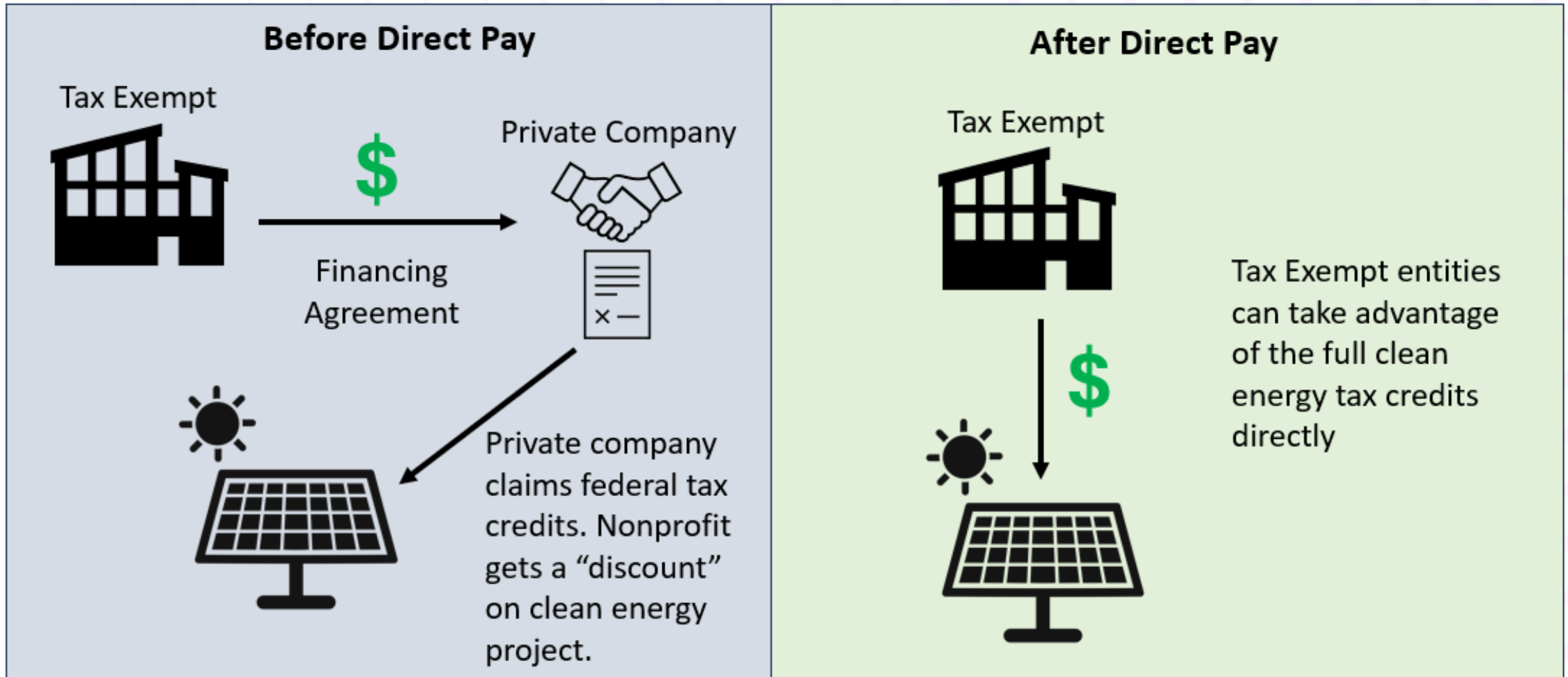
MULTIFAMILY	Meets Prevailing Wage?	
	Yes	No
ENERGY STAR Multifamily New Construction Program	\$2500/unit	\$500/unit
ENERGY STAR Multifamily New Construction Program <b>&amp;</b> DOE's Zero Energy Ready Home Program (ZERH)	\$5000/unit	\$1,000/unit

SINGLE FAMILY & MANUFACTURED	
ENERGY STAR Residential New Construction Program or ENERGY STAR Manufactured New Homes Program	\$2500/unit
ENERGY STAR Program <b>&amp;</b> DOE's ZERH	\$5000/unit

Sources: [IRS.gov/credits-deductions/energy-efficient-commercial-buildings-deduction](https://www.irs.gov/credits-deductions/energy-efficient-commercial-buildings-deduction), [IRS Publication 5855 \(8-2023\)](#), [Catalyzing Local Clean Energy – A Roadmap for Maximizing Inflation Reduction Act Opportunities and Community Benefits](#)



# IRA Tax Credits & Elective Pay (A.K.A. Direct Pay)



# IRA Tax Credit Modifications: { **Tax-Exempt & Business** **All Entities**

HR1 **accelerates the end dates** of the following deduction and credits:

- **179D Commercial Buildings Energy-Efficiency Tax Deduction:** Commercial building energy efficiency improvements at least 25% better than industry standard. Sec. 70507.

New Eligibility Timeline: Begin construction prior to June 30, 2026

- **45W Commercial Clean Vehicle credit:** Electric vehicle tax credit geared towards commercial owners. \*\*Senate Finance Committee language requiring critical mineral threshold in 30D (Consumer) New Clean Vehicle Credit was scrapped. Sec. 70503.

New Eligibility Timeline: Placed in service prior to September 30, 2025

- **30C Alternative Fuel Vehicle Refueling credit:** EV chargers in low-income and rural areas (all entities eligible: individual, business, and tax exempt). Sec. 70504.

New Eligibility Timeline: Placed in service prior to June 30, 2026

Sources:

- Sustainable Solutions Summary: <https://docs.google.com/document/d/12Rnvf6RDUwCewHGazLshKFh39Rv3Ikbgp2Vfl1O24dQ/edit?tab=t.0#heading=h.a408vngf9utd>
- L4GG Guidance Brief on Elective Pay Eligible Credits:  
[https://l4gg.docsend.com/view/qh2ckk3tzugjc3kp?utm\\_source=L4GG+Funding+Clinic+Resources&utm\\_campaign=2e1e0f62df-EMAIL\\_CAMPAIGN\\_2025\\_07\\_15\\_05\\_27&utm\\_medium=email&utm\\_term=0\\_-2e1e0f62df-645888385](https://l4gg.docsend.com/view/qh2ckk3tzugjc3kp?utm_source=L4GG+Funding+Clinic+Resources&utm_campaign=2e1e0f62df-EMAIL_CAMPAIGN_2025_07_15_05_27&utm_medium=email&utm_term=0_-2e1e0f62df-645888385)
- <https://www.congress.gov/bill/119th-congress/house-bill/1/all-actions>

# Section 179D: Commercial Buildings Energy-Efficiency Tax Deduction

**Eligibility:** New commercial buildings (owners) and tax-exempt organization buildings (designers) with minimum 25% energy savings over minimum requirements of Reference Standard 90.1 ANSI/ASHRAE/IES (as certified by a contractor or engineer). Retrofits qualify on buildings that are at least 5 years old.



% Energy Savings	Deduction per SF	Deduction per SF w/ PWA
25% (min)	\$0.50	\$2.50
30%	\$0.60	\$3.00
35%	\$0.70	\$3.50
40%	\$0.80	\$4.00
45%	\$0.90	\$4.50
50% (max)	\$1.00	\$5.00

SF: Square Foot  
PWA: Prevailing Wage & Apprenticeship Requirements

# Commercial Clean Vehicles (45W)

**Eligibility:** Businesses and tax-exempt organizations (nonprofits, schools, local governments, religious organizations). Reduces the cost of used EVs made by a **qualified manufacturer**. IRS website link [here](#) for more info.

- 30% credit
- \$7,500 max benefit for vehicles under 7 tons
  - Includes large EV lawn mowers
- \$40,000 max benefit for vehicles over 7 tons
  - Like school buses, box trucks, dump trucks, etc.

March 2025: Many manufacturers still offering tax credit incentives. Some offering “Tesla Conquest” incentives.





# EV Chargers (30C)

**Eligibility:** Individuals, businesses, and tax-exempt organizations (nonprofits, schools, local governments, religious organizations). IRS website link [here](#) for more info.

**Individual:** install for use at their main home; 30% credit with a max of \$1,000 per item.

**Commercial:** the tax credit is 6% with a max credit of \$100,000 per unit.

- Meet prevailing wage and apprenticeship requirements for a 30% credit

The equipment must be placed in a low-income community or rural area. See map!



# IRA Tax Credit Modifications: Tax-Exempt & Business

HR1 modifies the **48E Investment Tax Credit (ITC)** and **45Y Production Tax Credit (PTC)**: Commercial clean energy investments like rooftop solar, solar fields, battery storage, wind, nuclear, hydro, and geothermal. Sec. 70513 and Sec. 70512.

## **MODIFIED: Wind and solar – early phase-out.**

If project begins construction...

- Prior to 12/31/2025: full credit, no Material Assistance restrictions but must satisfy PFE Entity Level and Payments restrictions, and must complete w/i 4 years\*
- Between 1/1/2026 and 7/4/2026: full credit, must comply with all 3 new PFE requirements including Material Assistance, and must complete w/i 4 years\*
- After 7/4/2026: full credit, must comply with new PFE requirements, must place in service before 12/31/2027
- 2028 and beyond: credits eliminated

**STILL ELIGIBLE:** Other zero-emissions technologies like nuclear, geothermal, hydropower, and energy storage (begin construction by 2033 with phasedown through 2035). If project begins construction after 12/31/25, certain PFE restrictions apply.

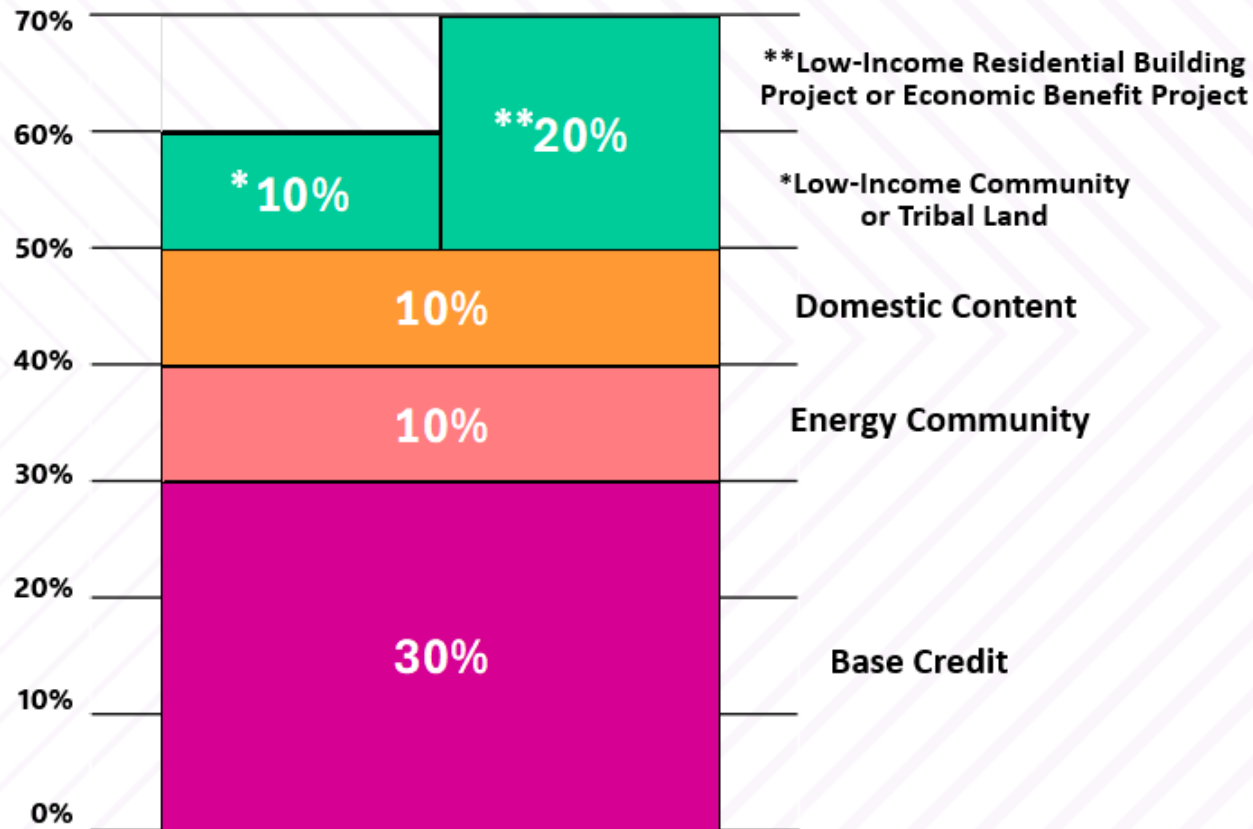
**UNCHANGED:** Bonus Credits for domestic content, energy communities, and low-income communities. Domestic content exception was retained for Elective Pay projects >1 MW. Prevailing wage & apprenticeship requirements.

## Sources:

- Sustainable Solutions Summary: <https://docs.google.com/document/d/12Rnvf6RDUwCewHGazLshKFh39Rv3lkbgp2Vfl1O24dQ/edit?tab=t.0#heading=h.a408vngf9utd>
- L4GG Guidance Brief on Elective Pay Eligible Credits: [https://l4gg.docsend.com/view/qh2ckk3tzugjc3kp?utm\\_source=L4GG+Funding+Clinic+Resources&utm\\_campaign=2e1e0f62df-EMAIL\\_CAMPAIGN\\_2025\\_07\\_15\\_05\\_27&utm\\_medium=email&utm\\_term=0\\_-2e1e0f62df-645888385](https://l4gg.docsend.com/view/qh2ckk3tzugjc3kp?utm_source=L4GG+Funding+Clinic+Resources&utm_campaign=2e1e0f62df-EMAIL_CAMPAIGN_2025_07_15_05_27&utm_medium=email&utm_term=0_-2e1e0f62df-645888385)
- <https://www.congress.gov/bill/119th-congress/house-bill/1/all-actions>
- <https://taxlawcenter.org/blog/navigating-obbba-phaseouts-prohibited-foreign-entity-rules-and-other-new-rules>



# Investment Tax Credit (“48” and “48E”) & Bonus Credits



Clean energy projects under 1 megawatt qualify for the **30% base credit** w/o prevailing wage or apprenticeship programs. There are stackable 10% bonus credits for projects that are within these parameters:

- **Domestic Content: 10% Bonus.** Requirements for American steel, iron, and manufactured components.
- **Energy Communities: 10% Bonus.** Projects sited on brownfields or in fossil fuel communities ([see map](#)).
- **Low Income Communities: 10 or 20% Bonus.** Competitive. Projects must be less than 5 MW.
  - 10% Bonus: Projects located in low-income communities ([see map](#)), **or**
  - 20% Bonus: Projects located on affordable multifamily housing or low-income “economic benefit projects”



Sources: [Local Infrastructure Hub: Catalyzing Local Clean Energy – A Roadmap for Maximizing Inflation Reduction Act Opportunities and Community Benefits](#); Clean Energy Group: <https://www.cleanegroup.org/how-to-make-the-most-of-the-investment-tax-credit-applying-for-bonus-credits/>

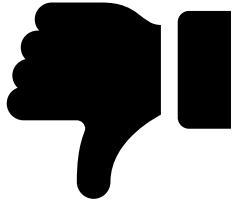


- **Positive:** No significant alterations to the **Elective Pay (a.k.a. Direct Pay) provision**, though accelerated end dates of many eligible tax credits diminish the usefulness of the provision.
- **Positive:** Final version **keeps the two original domestic content exceptions** for Elective Pay projects >1MW: instances where domestic sourcing would raise construction costs by >25% or where relevant products are not sufficiently available.
- **Positive:** The **Transferability provision** is retained, allowing project developers to sell, or “transfer”, their tax credits to third parties to reduce financing costs.
  - **Snag:** It does add a **prohibition** of credit transfer to Specified Foreign Entities (SFE).
- **Positive:** **Ground-source heat pumps** were eligible under the original ITC (48) and can still be claimed until the end of 2034.
- **Positive:** Final version does not exclude **leased residential solar installations** from the 48E ITC.
  - **Snag:** Leased solar water heaters and small wind property were made **ineligible**.
- **Positive:** **Energy storage projects co-located** with solar and wind facilities will not be included in the early ITC/PTC phasedown.
- **Positive:** Nothing in the Bill mentions the **IJA/BIL** or its associated Public Law # (117-58).
- **Positive:** DOE **Home Energy Rebates** programs were not affected.

Sources:

- Sustainable Solutions Summary: <https://docs.google.com/document/d/12Rnvf6RDUwCewHGazLshKFh39Rv3lkbGP2Vfl1O24dQ/edit?tab=t.0#heading=h.a408vngf9utd>
- L4GG Guidance Brief on Elective Pay Eligible Credits:  
[https://l4gg.docsend.com/view/qh2cck3tzugjc3kp?utm\\_source=L4GG+Funding+Clinic+Resources&utm\\_campaign=2e1e0f62df-EMAIL\\_CAMPAIGN\\_2025\\_07\\_15\\_05\\_27&utm\\_medium=email&utm\\_term=0\\_-2e1e0f62df-645888385](https://l4gg.docsend.com/view/qh2cck3tzugjc3kp?utm_source=L4GG+Funding+Clinic+Resources&utm_campaign=2e1e0f62df-EMAIL_CAMPAIGN_2025_07_15_05_27&utm_medium=email&utm_term=0_-2e1e0f62df-645888385)
- <https://www.congress.gov/bill/119th-congress/house-bill/1/all-actions>
- <https://taxlawcenter.org/blog/navigating-obbbba-phaseouts-prohibited-foreign-entity-rules-and-other-new-rules>





- **Negative:** The final version includes an accelerated phase out of the **ITC & PTC** for new solar and wind installations.
  - **Silver Lining:** The final version **preserves** the ITC & PTC for energy storage, hydropower, nuclear, and geothermal.
- **Negative:** Rapid phase out of the **consumer-facing credits** for solar (25D Residential Clean Energy), energy efficiency home improvements (25C Energy Efficient Home Improvements), and the New & Used Clean Vehicle credits.
- **Negative:** The bill introduces complex foreign entity restrictions pertaining to **Prohibited Foreign Entities**, including elimination of tax credits for such entities and potential elimination of tax credits if a project cannot pass the new **Material Assistance Cost Ratio** after 2025.
- **Negative:** Termination of the **Section 179D** deduction for energy efficient commercial buildings for projects that do not begin construction by July 4, 2026.
- **Negative:** Rapid phase out of the **Commercial Clean Vehicles tax credit**.
- **Negative:** **Unobligated funding was rescinded** for nearly every major EPA IRA program. However, many of these programs had obligated funds, and the rescissions were made to Agency management.
- **Negative:** Rescinds unobligated funding for **the Green and Resilient Retrofit Program (GRRP)** for multifamily housing (approximately \$138 million).

Sources:

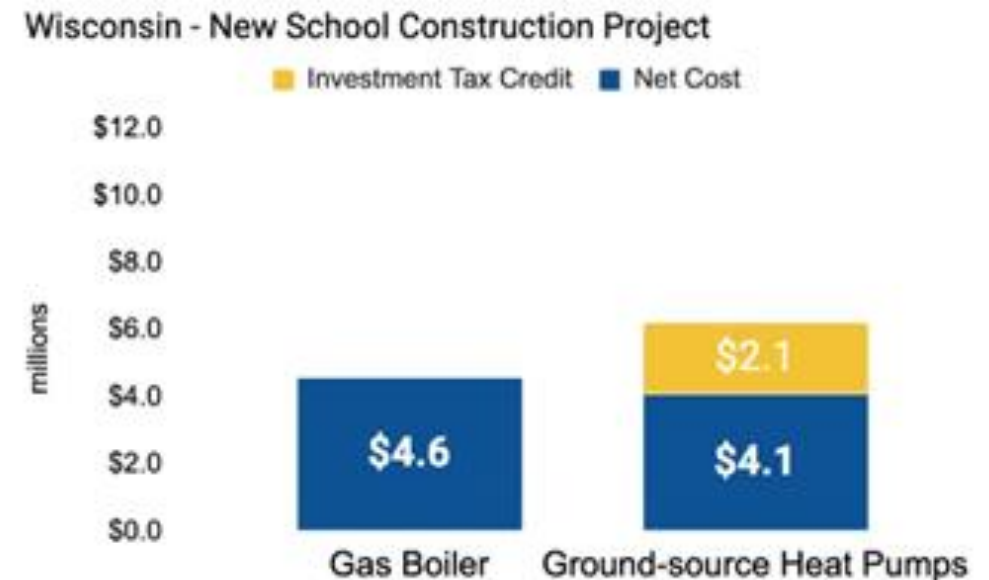
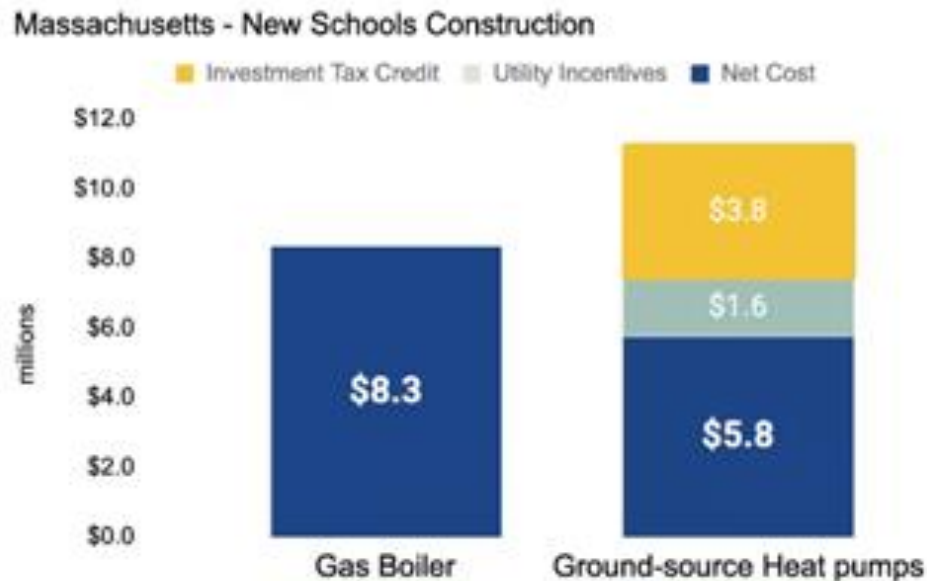
- Sustainable Solutions Summary: <https://docs.google.com/document/d/12Rnvf6RDUwCewHGazLshKFh39Rv3lkbpg2Vfl1O24dQ/edit?tab=t.0#heading=h.a408vngf9utd>
- L4GG Guidance Brief on Elective Pay Eligible Credits: [https://l4gg.docsend.com/view/qh2ckk3tzugjc3kp?utm\\_source=L4GG+Funding+Clinic+Resources&utm\\_campaign=2e1e0f62df-EMAIL\\_CAMPAIGN\\_2025\\_07\\_15\\_05\\_27&utm\\_medium=email&utm\\_term=0\\_-2e1e0f62df-645888385](https://l4gg.docsend.com/view/qh2ckk3tzugjc3kp?utm_source=L4GG+Funding+Clinic+Resources&utm_campaign=2e1e0f62df-EMAIL_CAMPAIGN_2025_07_15_05_27&utm_medium=email&utm_term=0_-2e1e0f62df-645888385)
- <https://www.congress.gov/bill/119th-congress/house-bill/1/all-actions>
- <https://taxlawcenter.org/blog/navigating-obbba-phaseouts-prohibited-foreign-entity-rules-and-other-new-rules>

# Strategy for near-term clean energy spending

- **Tax-exempt entities: File for Elective Pay for your eligible projects!**
  - The IRS still has regular [office hours](#) and [guidance materials](#).
  - You can find FAQs, annotated tax forms, and Elective Pay Blueprints for the Commercial Clean Vehicle Credit (45W) and EV Charging Credit (30C) from the [Electrification Coalition](#).
  - Lawyers for Good Government have tons of [great resources](#). Join their webinar **July 30, 2025 at 12pm ET “[Moving Forward with Elective Pay after H.R.1 \(OBBBA\)](#)”**
- **Tax-exempt & Businesses: make expenditures, begin construction, and place property into service by the accelerated deadlines...**
  - Commercial Clean Vehicles (45W): Purchase and receive prior to **September 30, 2025**
  - Electric Vehicle Charging (30C): Place in service prior to **June 30, 2026**
  - Wind & Solar (48E):
    - Best: Begin construction prior to **December 31, 2025**
    - Good: Begin construction prior to **July 4, 2026** and comply with PFE restrictions
    - OK: Begin construction after July 4, 2026 and place in service prior to **December 31, 2027**, and comply with PFE restrictions
  - Energy Efficiency Tax Deduction (179D): Place in service prior to **June 30, 2026**

# Consider Ground-Source/Geothermal Heat Pumps

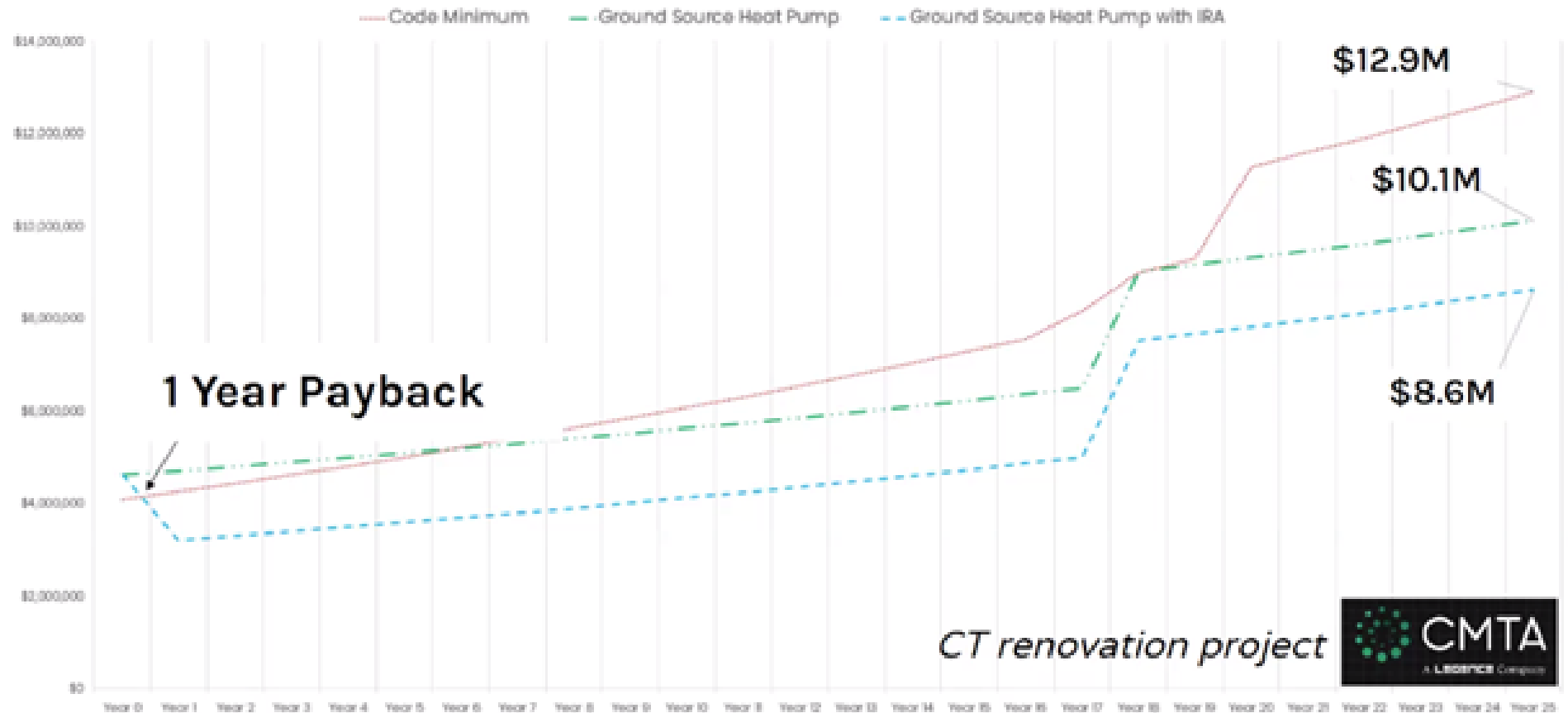
- Still eligible for a 30% tax credit under Section 48 for construction that begins prior to **January 1, 2033** (with two-year phasedown) for projects that have a maximum net output of less than 1MWe of thermal energy or meets prevailing wage and apprenticeship requirements
- Eligible for the Bonus Credits (domestic content, energy communities, and low-income communities)
- No PFE restrictions apply



## Sources:

Sustainable Solutions Summary: <https://docs.google.com/document/d/12Rnvf6RDUwCewHGazLshKFh39Rv3Ikbgp2Vf1O24dQ/edit?tab=t.0#heading=h.a408vngf9utd>  
L4GG Guidance Brief on Elective Pay Eligible Credits: [https://l4gg.docsend.com/view/qh2ckk3tzugic3kp?utm\\_source=L4GG+Funding+Clinic+Resources&utm\\_campaign=2e1e0f62df-EMAIL\\_CAMPAIGN\\_2025\\_07\\_15\\_05\\_27&utm\\_medium=email&utm\\_term=0\\_-2e1e0f62df-645888385](https://l4gg.docsend.com/view/qh2ckk3tzugic3kp?utm_source=L4GG+Funding+Clinic+Resources&utm_campaign=2e1e0f62df-EMAIL_CAMPAIGN_2025_07_15_05_27&utm_medium=email&utm_term=0_-2e1e0f62df-645888385)  
<https://taxlawcenter.org/blog/navigating-obbbba-phaseouts-prohibited-foreign-entity-rules-and-other-new-rules>  
<https://www.energy.gov/eere/geothermal/tax-credits-incentives-and-technical-assistance-geothermal-heat-pumps>  
Department of Energy Webinar, 5/7/24, “DOES Beyond Grants: Fed Funding for School Facilities”  
Local Infrastructure Hub Webinar, 7/22/25, “What the One Big Beautiful Bill Act Means for Your Infrastructure Strategy”

# Lifecycle cost analysis shows significant savings



# Not Clean Energy, but...

- **Opportunity Zones (OZs):** HR1 makes **opportunity zones** permanent. Under revised framework, every 10 years state governors will propose new qualified opportunity zones (QOZ) and the Treasury Secretary will certify them. The effective date for new QOZ designations is July 1, 2026 (and every 10 years thereafter). Stricter eligibility criteria will apply – median family income shall not exceed 70% of the state or MSA median family income (down from 80% previously). HR1 also expands QOZ to rural areas. Sec. 70421.
- **Low-Income Housing Tax Credit (LIHTC):** HR1 makes the LIHTC permanent. Increases the state housing credit ceiling by 12% (more tax credits will be available to state to allocate toward qualifying projects) and reduces bond financing thresholds from 50% to 25%. Sec. 70422.
- **New Markets Tax Credits (NMTC):** HR1 permanently extends the NMTC, which is designed to encourage investment in operating businesses and real estate projects in low-income communities, which was due to expire at the end of 2025. The NMTC limitation will be \$5B for each calendar year “after 2019”. Sec. 70423.

## Sources:

<https://www.seyfarth.com/news-insights/7-key-changes-to-the-qualified-opportunity-zone-incentive-under-the-one-big-beautiful-bill-act.html>

<https://www.berrydunn.com/news-detail/boosting-affordable-housing-what-the-obbbba-means-for-developers>

<https://www.kbkg.com/feature/real-estate-incentives-revitalized-what-the-2025-obbbba-means-for-developers-investors-and-owners>

<https://www.greaterohio.org/blog/2025/7/15/the-one-big-beautiful-bill-act-and-community-development-tools>

# Prohibited Foreign Entities & Material Assistance

## DEFINITIONS

**“Prohibited Foreign Entity” (PFE)** means either an SFE or an FIE.

**“Specified Foreign Entity” (SFE):** Foreign Entities of Concern identified in the National Defense Authorization Act (NDAA) for FY 2021, battery companies listed under NDAA FY 2024 Section 154(b) (BATL, BYD, Envision, EVE, Gotion, and Hithium), Chinese military companies, companies on the Uyghur Forced Labor Prevention Act list, or is a “Foreign Controlled Entity” (the government, a citizen/national/resident, or a business of a covered nation [unless an individual is a citizen or permanent resident of the U.S.], or an entity controlled by these, where “control” = 50% vote, value, or interest).

**“Foreign Influenced Entity” (FIE):** an entity where an SFE has the authority to appoint a Board member, executive officer, etc., a single SFE owns >25%, or 2+ SFEs own >40%, or an SFE(s) holds >40% of debt, or during the previous taxable year made a payment to an SFE pursuant to a contract, agreement, etc. under which SFE has effective control (the “payment rule”).

**“Covered Nation”:** North Korea, China, Russia, and Iran.

**“Material Assistance from Prohibited Foreign Entities”** targets the supply chain of taxpayers claiming the ITC/PTC (and 45X, Advanced Manufacturing Production credit) and establishes a cost ratio threshold that a project must stay above (a higher percentage than the threshold) to pass the Material Assistance Cost Ratio test.

**Example: A \$1M project beginning construction in 2026.** Cost Ratio = (Total costs of \$1M – PFE costs of \$300K)/(Total costs of \$1M) \* 100% = 70%. **Project is still eligible for the ITC because the cost ratio is above the threshold for 2026.**

$$\text{Cost Ratio} = [(\$1\text{M} - \$300\text{k})/\$1\text{M}] * 100\% = 70\%$$

Cost ratios for ITC/PTC (beginning of construction):

- 40% in 2026
- 45% in 2027
- 50% in 2028
- 55% in 2029
- 60% in 2030 and after

**Safe Harbor** tables identifying the percentage of the total direct material costs associated with manufactured products/components attributable to a PFE shall be issued by 12/31/26 . Until then, the existing IRS safe harbors for the Domestic Content Bonus Credit stand and a taxpayer may rely on a certification from a supplier of the product to determine total direct material costs.

Sources:

<https://taxlawcenter.org/blog/navigating-obbbba-phaseouts-prohibited-foreign-entity-rules-and-other-new-rules>

<https://www.hklaw.com/en/insights/publications/2025/06/senate-moves-to-scale-back-clean-energy-tax-credits>

<https://taxnews.ey.com/news/2025-1275-summary-of-select-senate-reconciliation-bill-tax-provisions>

Crux: <https://app-na1.hubspotdocuments.com/documents/24439257/view/1278130540?accessId=573fa8>

Last Modified 6/26/2025

# What does “Begin Construction” mean?

Currently there are 2 methods for establishing when a project’s construction begins: the “physical work test” and the “5% Safe Harbor”. Both must show continuous efforts towards project completion.

**Physical Work Test:** There is no minimum amount or cost necessary to satisfy this test, and the work can be on or off-site, it just has to be **“significant”**. It can also be performed by contractors and subcontractors, so long as it’s done through a binding written contract.

“Significant” Off-Site Work	“Significant” On-Site Work	Non-Significant Preliminary Activities
Manufacturing of components	Installation of racks or support	Planning/Design activities
Mounting equipment		Securing financing
Support structures (e.g. racks, rails)		Exploration
Inverters		Research
Transformers		Mapping/modeling
Power conditioning equipment		Obtaining permits/licenses
		Surveying
		Environmental/Engineering studies
		Site clearing
		Test drilling
		Site leveling
		Excavating to change the contour of the land
		Removing existing items

What on-site work is considered “significant” varies, but ← “preliminary activities” **can not** be used for they physical work test.

NOTE! Components that are in existing inventory or are normally held in inventory do not count as “significant” off-site work. Only work performed that is custom manufactured for the facility has the potential to be considered “significant”.



# What does “Begin Construction” mean?

Currently there are 2 methods for establishing when a project’s construction begins: the “physical work test” and the “5% Safe Harbor”. Both must show continuous efforts towards project completion.

**5% Safe Harbor:** Construction is considered to have begun if the taxpayer “pays or incurs” five present or more of the total cost of eligible energy property. This is calculated based on all costs that are in the depreciable basis of the energy property AND includes cost overruns. **Aiming for 10% is a safer bet that cost overruns won’t impact your safe harbor calculation.**

## Continuous Construction?

- **Delays in construction could cause a failure** of the requirement for continuous construction IF they were within the property owner’s control.
- Delays outside of the owner’s control **will NOT result in failure** of continuous construction, including:
  - Delays due to severe weather and natural disasters
  - Delays in obtaining permits or licenses from federal, state, or local governments
  - Interconnection-related delays
  - Delays in the manufacture of custom components
  - There’s more – check out the source below



# Status of IRA Grants/Loans/T.A.: July 2025

- **HR1 repealed statutory authority and rescinded unobligated balances for the \$27B GGRF program, including NCIF, CCIA, and Solar for All. HOWEVER, the grant agreements EPA made with recipients when the provision was still law are legal and valid and should be considered obligated funds.**
  - **NCIF & CCIA:** The EPA “Green Bank” recipients lost access to Citibank accounts on 2/20, and the EPA Administrator terminated the program on 3/11. Litigation is ongoing and funds remain frozen while court proceedings continue.
  - **Solar for All:** Funds are flowing to all recipients. Many programs have expressed they will launch in early 2026. As of April 11, all 60 recipients had spent about \$31 million of the \$7B program, according to the Director of Strategic Communications for the EPA Office of Inspector General (based on the required EPA audit).
- **DOE Home Energy Rebate Programs:** **The Indiana Energy Saver Program launched on May 14, 2025.** The hope is that the Ohio program will launch in the next few months!
- **EJ TCTAC Programs:** On June 17, a federal judge ruled that EPA’s termination of environmental justice grants issued under the IRA was unlawful, affecting the Thriving Communities Grantmaking Program



## Sources:

L4GG Guidance Brief: The Impact of HR1 Rescissions on EPA Grant Programs:

[https://l4gg.docsend.com/view/msha4pgcbs3h29iw?utm\\_source=L4GG+Funding+Clinic+Resources&utm\\_campaign=2e1e0f62df-EMAIL\\_CAMPAIGN\\_2025\\_07\\_15\\_05\\_27&utm\\_medium=email&utm\\_term=0\\_-2e1e0f62df-645888385](https://l4gg.docsend.com/view/msha4pgcbs3h29iw?utm_source=L4GG+Funding+Clinic+Resources&utm_campaign=2e1e0f62df-EMAIL_CAMPAIGN_2025_07_15_05_27&utm_medium=email&utm_term=0_-2e1e0f62df-645888385)

<https://vtdigger.org/2025/05/13/solar-for-all-distributes-more-than-22-million-in-funding-but-remains-under-threat/>

<https://www.politico.com/news/2025/06/18/epa-termination-environmental-justice-grants-unlawful-00411906>

# The IRA in Action:

## Greenhouse Gas Reduction Fund (GGRF; EPA; \$27B)

Funding Announced April 4, 2024



### National Clean Investment Fund (NCIF; \$14B)

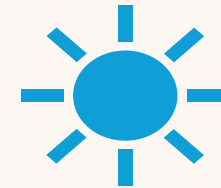
“National Green Bank”. **Financing** at scale to businesses, communities, etc. for clean energy projects.

[Ohio Air Quality Development Authority \(OAQDA\)](#) a sub-awardee to develop a long-lasting revolving loan fund through their existing Clean Air Improvement Program (CAIP). Got a project? [They want to hear about it!](#)



### Clean Communities Investment Accelerator (CCIA; \$6B)

Expand clean **energy lending capacity** of CDFI's, credit unions, housing finance agencies, etc. to households, small businesses, schools, and community institutions in low income and disadvantaged communities.



### Solar for All (\$7B)

**State of Ohio, \$156M:** Rooftop solar direct ownership for LMI single family households and PPA's for LMI single & multifamily households, and more.

*Late 2025/Early 2026* [Ohio Homeowners Solar Survey](#)

**Industrial Heartland, \$156M:** Leverage aggregation to provide reduced electricity rates to low-income residents. [Press Release.](#)

# Home Appliance Rebate Program

## Ohio's Rebate Programs Conditionally Approved!

- Eligibility: **These rebates are reserved for low- and moderate-income households (Below 150% of AMI).** LMI homeowners and multifamily tenants/building owners (intent is to have an approval process which must be agreed to by the owner/landlord of the property).
- Program will work with eligible applicants to schedule free energy audits then determine what resources the applicant is eligible for (one or both rebate programs)
- Not available retroactively.

Measure	Rebate Amount
Heat pump water heater	Up to \$1,750/appliance
Heat pump for space heating/ cooling (HVAC)	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 (breaker box/electric panel)	Up to \$4,000
Insulation, air sealing, and ventilation (weatherization)	Up to \$1,600
Electric wiring	Up to \$2,500
<b>Maximum Multifamily Rebate:</b>	
-An eligible entity receiving multiple rebates	Maximum allowable rebate \$14,000/unit, up to \$400,000 per building
-Multifamily w/ 50% or more residents w/ incomes between 80-150% AMI	Up to 50% of the cost of the electrification project
-Multifamily w/ 50% or more residents w/ incomes less than 80% AMI	100% of the cost of the electrification project
<b>Maximum Single-Family Rebate:</b>	
-Low Income (<80% AMI)	100% (including installation) up to \$14,000
-Moderate Income (80-150%)	50% (including installation) up to \$14,000
<b>Up to \$500 contractor rebate for work in LMI communities</b>	

# Home Efficiency Rebates Program

## Ohio's Rebate Programs **Conditionally Approved!**

**Eligibility:** homeowners and multifamily tenants/building owners (intent is to have an approval process which must be agreed to by the owner/landlord of the property). **All households are potentially eligible, with the largest rebates going to those with lower incomes.** The project will need to reduce your home's energy usage by at least 20%.

- Most projects will likely focus on weatherization and large systems in the home like HVAC and water heating.
- Program will work with eligible applicants to schedule free energy audits then determine what resources the applicant is eligible for (one or both rebate programs)

Based on federal government guidance, performance levels and rebate amounts *might* match the chart below:

	Market Rate SF	Market Rate MF Buildings	Low Income Home or Unit (<80% AMI)
Modeled energy system savings of 20-35%, building-wide	Lesser of \$2k or 50% of project cost	\$2k/unit or 50% of project, whichever is less; building max \$200k	Lesser of \$4k/unit or 80% of project cost
Modeled energy system savings of 35%+, building-wide	Lesser of \$4k or 50% of project cost	\$4k/unit or 50% of project, whichever is less; building max \$400k	The lesser of \$8k/unit or 80% of the project cost
Measured energy savings of 15%+, building-wide	\$1k per 10% energy savings or 50% of project cost	\$1k per 10% energy savings or 50% of project cost	\$2k per 10% energy savings or 80% of project costs

*Federal thresholds for Home Efficiency Rebates*

([DOE FAQs](#), [Rewiring America – Efficiency Rebate](#))

# Status of IRA Grants/Loans/T.A.: July 2025

**HR1 retains authority but rescinds unobligated funding** for nearly every major EPA program created by the IRA. **HOWEVER, this does not include any awarded funds.** Mostly, the rescissions will affect funding for Agency administration of programs, but even then, those funds were in addition to general EPA funding.

Impacted programs include:

- Climate Pollution Reduction Grants (CPRG)
- Methane Emissions Reduction Program (MERP)
- Clean Heavy-Duty Vehicles
- Environmental Justice Block Grants
- School Air Pollution Monitoring
- Fenceline Monitoring in Polluted Communities
- Diesel Emissions Reductions Act
- Low-Emissions Electricity Program
- Low-Embodied Carbon Labeling initiative for construction materials
- Air Pollution Monitoring Upgrades
- Greenhouse Gas Corporate Reporting
- Environmental Product Declarations
- Enforcement Technology Systems
- American Innovation Manufacturing Act implementation

**How to keep track of all these changes!?**

IRA Tracker: <https://iratracker.org/actions/>

L4GG's Federal Funding Litigation Tracker:

<https://www.lawyersforgoodgovernment.org/fpc-litigation-tracker>

Get on L4GG's email list for updates

Sources:

L4GG Guidance Brief: The Impact of HR1 Rescissions on EPA Grant Programs:

[https://l4gg.docsend.com/view/msha4pgcbs3h29iw?utm\\_source=L4GG+Funding+Clinic+Resources&utm\\_campaign=2e1e0f62df-EMAIL\\_CAMPAIGN\\_2025\\_07\\_15\\_05\\_27&utm\\_medium=email&utm\\_term=0\\_-2e1e0f62df-645888385](https://l4gg.docsend.com/view/msha4pgcbs3h29iw?utm_source=L4GG+Funding+Clinic+Resources&utm_campaign=2e1e0f62df-EMAIL_CAMPAIGN_2025_07_15_05_27&utm_medium=email&utm_term=0_-2e1e0f62df-645888385)

<https://vtdigger.org/2025/05/13/solar-for-all-distributes-more-than-22-million-in-funding-but-remains-under-threat/>

<https://www.politico.com/news/2025/06/18/epa-termination-environmental-justice-grants-unlawful-00411906>

Sustainable Strategies HR1 Summary: <https://docs.google.com/document/d/12Rnvf6RDUwCewHGazLshKFh39Rv3lkbGP2Vf1O24dQ/edit?tab=t.0>

# What if your grant is terminated?

- **Cases continue to be won in court**
- From the Environmental Protection Network and Lawyers for Good Government: Legal relief is coming – you need to stay in compliance until it comes. **DO NOT voluntarily accept termination or start close-out procedures.**
- EPA, DOE, and USDA all have different appeals processes. L4GG has **template responses for termination notices** for all three federal agencies. Check out this slide deck for more information: [https://www.environmentalprotectionnetwork.org/wp-content/uploads/2025/02/2025-06-11-EPN\\_L4GG-Bi-weekly-update-webinar.pdf](https://www.environmentalprotectionnetwork.org/wp-content/uploads/2025/02/2025-06-11-EPN_L4GG-Bi-weekly-update-webinar.pdf)

## Support:

- L4GG also has a Fund Protection Clinic, which provides essential legal assistance to orgs whose federal funding is at risk: <https://www.lawyersforgoodgovernment.org/fund-protection-legal-guidance-request>
- EPN provides pro bono technical assistance to frontline communities, nonprofits, and under-resources state/local/Tribal government agencies: <https://system.environmentalprotectionnetwork.org/inbound-request/>

# Open Funding/T.A. Opportunities

## Department of Energy

- **NREL Clean Energy to Communities (C2C) Program - Expert Match FY 2025.** Purpose: provide free, short-term T.A. to address near-term clean energy challenges and questions. Eligible: **Local Gov't, NGO's, Higher Ed**

The **Climate Program Portal** launched the **Project Finance Hub** with more info on financing mechanisms available in the IIJA and IRA, federal grant and loan opportunities, and Clean Energy Finance Institutions like Green Banks and CDFIs: <https://climateprogramportal.org/projectfinancehub/>.

Also, **Local Infrastructure Hub**'s Grant Search is user friendly (mostly for local government use): <https://localinfrastructure.org/funding-opportunities/>

# Thank you!

*Check out our [ElectrifyCincy.org](https://www.electrifycincy.org) Website and our [Solar Landing Page](#)!*

Contact:

Nikki Vandivort, Clean Energy Executive Fellow

Nikki.Vandivort@cincinnati-oh.gov



# Appendices

These are slides primarily focused on the IRA and IJJA as they were originally passed.

2022 COMMUNITY  
CARBON EMISSIONS



24.75%

COMMERCIAL BUILDING  
ENERGY USAGE



17.53%

RESIDENTIAL BUILDING  
ENERGY USAGE



32.35%

TRANSPORTATION



1.97%

SOLID WASTE



2.99%

GOVERNMENT OPERATIONS



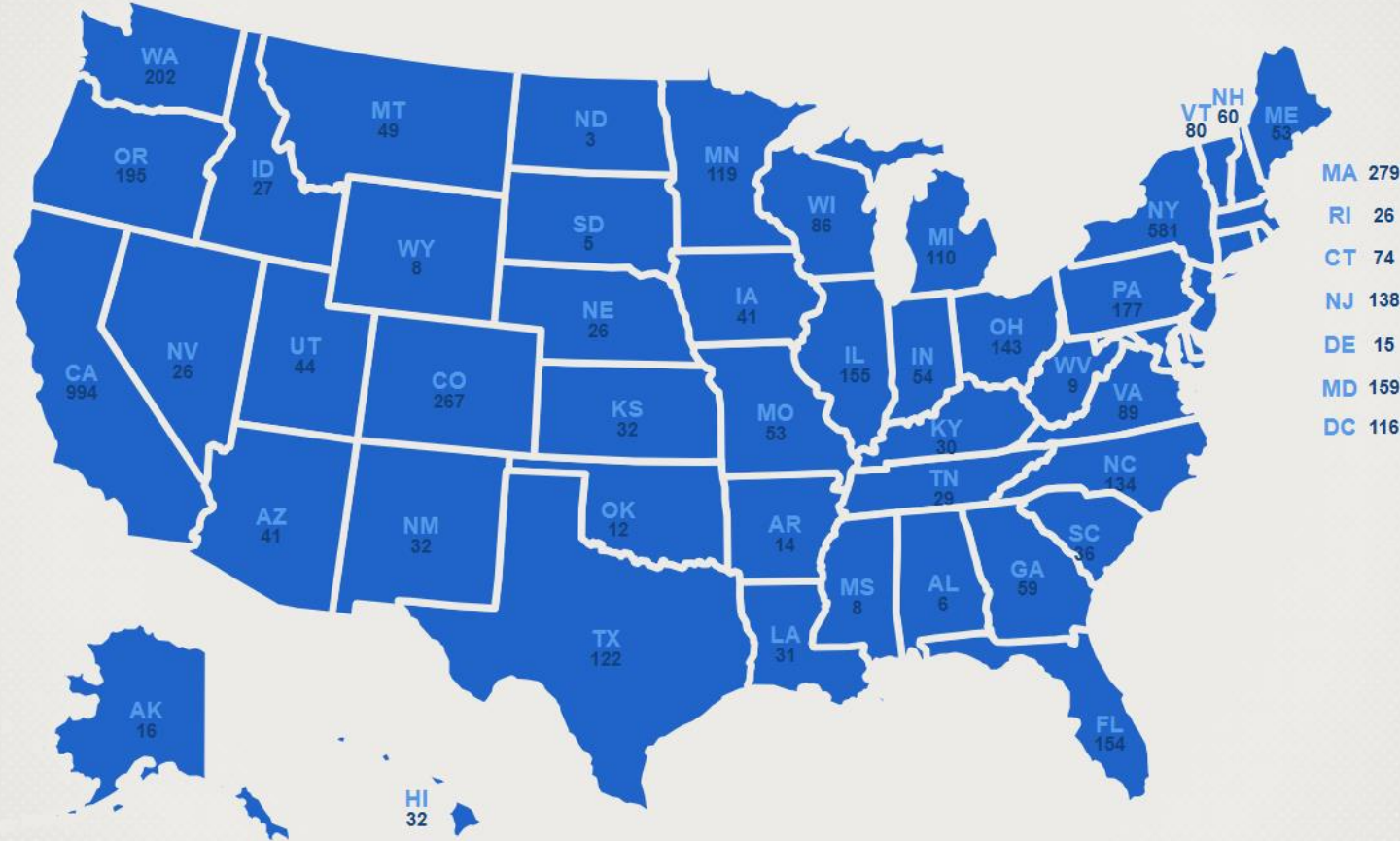
20.41%

INDUSTRIAL BUILDING  
ENERGY USAGE

Cities claim 2% of the Earth's surface,  
54% of the human population,  
and over 70% of the world's carbon emissions



All Constituencies	
	364 Local Governments
	13 Tribal Nations
	3,007 Businesses
	58 Health Care Organizations
	847 Faith Groups
	158 Cultural Institutions
	10 States
	177 Investors
	429 Higher Education Institutions



Our members represent...

**5000+**  
Organizations

**2/3**  
U.S. Population

**Across 50**  
States

[About Us](#)

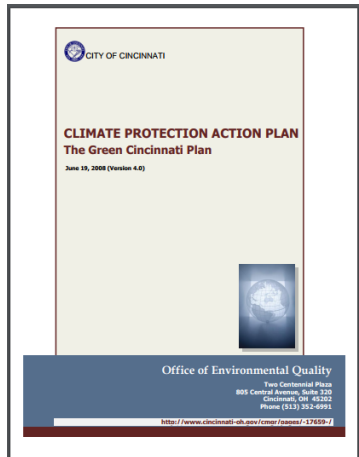
<https://www.americaisallin.com/whos-in>

Ohio: 136 members: Cincinnati, Cleveland, Columbus, & 11 other municipalities; 43 businesses; 53 faith communities

Kentucky: 30 members: Louisville; 9 businesses; 15 faith communities

Indiana: 54 members: Indianapolis, Fort Wayne, Bloomington & 5 other municipalities; 11 businesses; 16 faith communities

# CLIMATE ACTION PLANNING IN CINCY



2008



2013



2018



Green Cincinnati Plan  2023



*The Office of Environment and Sustainability (OES) leads City government and the broader community in building a more sustainable, equitable, and resilient Cincinnati.*

# REGIONAL CLIMATE ACTION PLANNING

PRIORITY  
CLIMATE  
ACTION  
PLAN  
March 2024



**ThriveTogether**  
A Sustainability Playbook  
for Greater Cincinnati

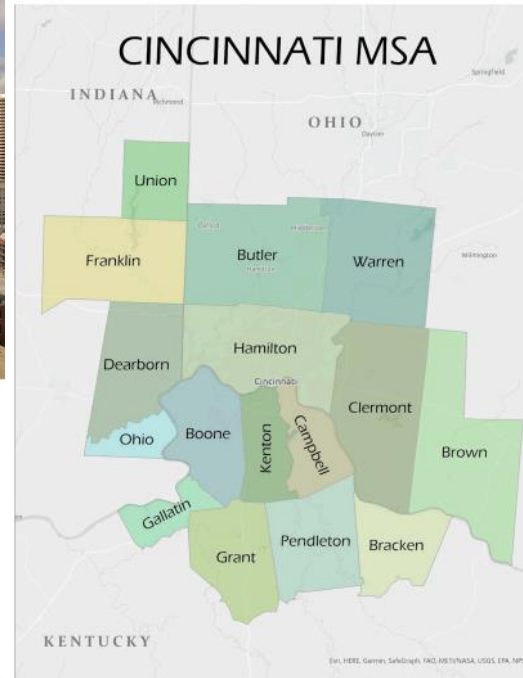


**GREATER CINCINNATI**  
**PRIORITY CLIMATE ACTION PLAN**  
March 2024



1

Figure 1: Map of Cincinnati Metropolitan Statistical Area



[LINK](#) to Priority Climate Action Plan  
[LINK](#) to Playbook Website  
[LINK](#): Provide feedback for the Comprehensive Climate Action Plan, coming Spring 2026

Steering Committee includes:

- 15 Counties and 15 cities/towns/townships
- 15 nonprofit organizations
- Chambers of Commerce
- UC, IU, and Purdue
- Duke, Rumpke

## 2. Electric Power - 2.B Further develop renewable energy generation in the region

2.B.1 Develop community solar to **support local non-profits and community-based groups**

2.B.5 Encourage the development of **private solar installations, especially the utilization of large rooftops for solar**

## 3. Buildings – 3.A Improve the energy efficiency of local governments, schools, and non-profits in the region

3.A.2 Help connect **non-profit organizations** with funding for energy efficiency and solar





# Landmark Federal Funding



1. **Infrastructure Investment & Jobs Act (November 2021) - \$1.2T**
2. **Inflation Reduction Act (August 2022)- \$369B**

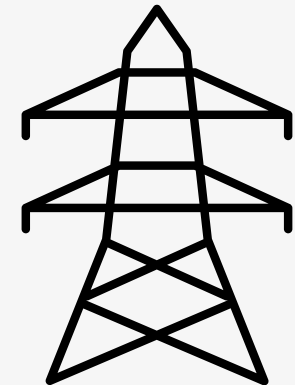
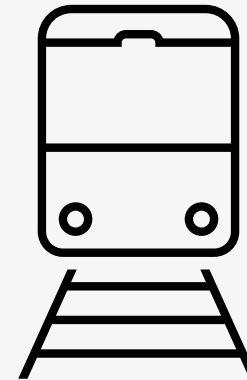
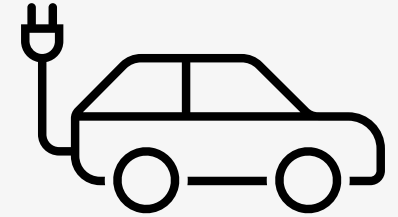
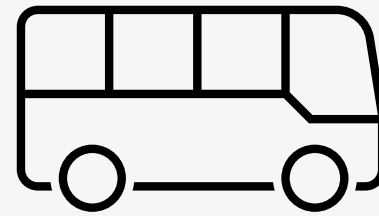
---

## IIJA/Bipartisan Infrastructure Law (BIL)

Investments include:

- Public transit: \$90 Billion (largest in U.S. history)
- Passenger rail: \$66 Billion (largest since the creation of Amtrak)
- **EV charging network: \$7.5 Billion**
- Transmission System & Grid: \$65 Billion (largest in U.S. history)
- Superfund & Brownfield Cleanup: \$21 Billion

Disbursed through grants, loans, and more.



# How the IRA works for us:

---



**Clean:** Electrification reduces climate and indoor air pollution. **Moving forward, some programs to shift away from electrification-only approach.**



**Comfortable:** Energy efficiency and weatherization tax credits, tax deductions, rebates, and programs



**Affordable:** Incentives make your energy transition more affordable. **Moving forward, likely reduction in incentives for EVs and EV charging.**



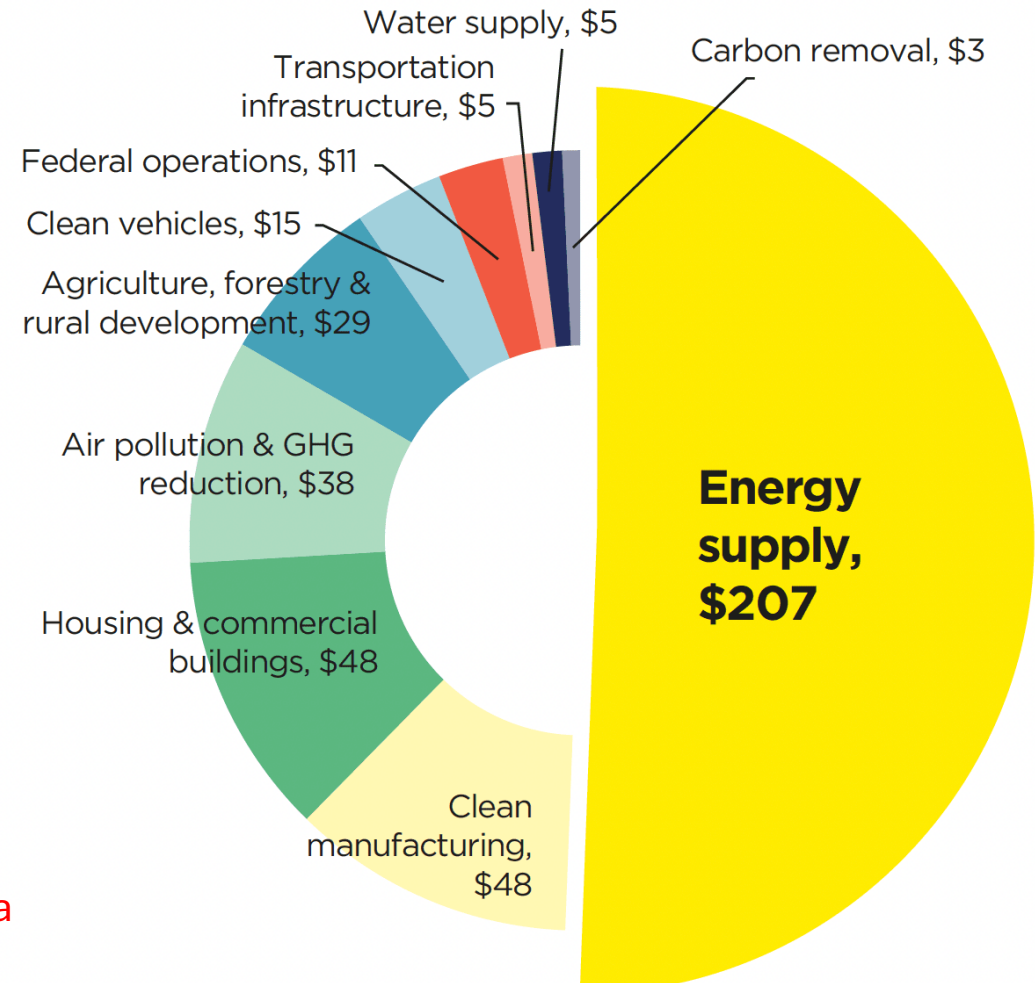
**Green Jobs:** Stable, living-wage jobs in a growing sector



## Components of the IRA

Many of the grants to state and local governments and community-based organizations have been or were in the process of being disbursed. **An Executive Order issued on 1/20 was intended to halt all IRA funding disbursement. A federal judge issued a Temporary Restraining Order (TRO) on 1/29 and a clarifying Enforcement Order on 2/10, ordering the release of federal funds. Need status update? See [IRAtracker.org](https://ira.tracker.org)**

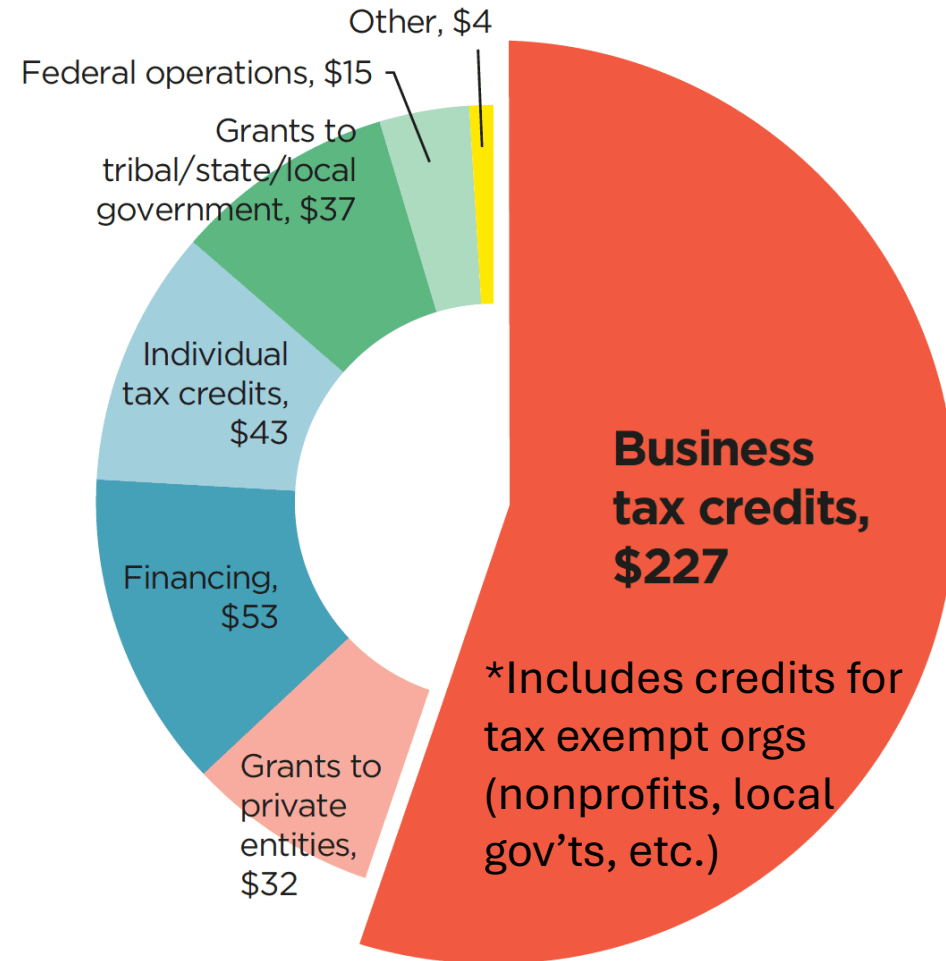
**Figure 1. Energy supply receives about half of IRA resources, with significant investments in clean manufacturing and housing (billions of dollars)**



## Components of the IRA

Tax credits for individuals, businesses, nonprofits, and local governments were intended to continue through 2032. **For now, most tax credits are likely safe through 2025. Congressional legislation is required to completely repeal tax credits.**

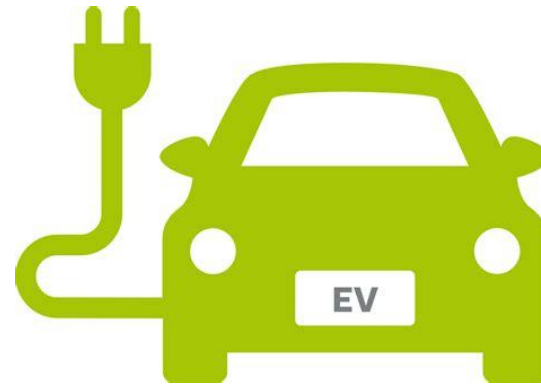
**Figure 2. The largest share of IRA funding will be available as tax credits to businesses (billions of dollars)**



# Impacts of the IRA



2023: 3.4 million Americans benefitted from \$8.4 billion in IRA tax credits to lower the cost of clean energy and energy efficiency upgrades to their homes – **3.5x more than projected**



2023: 250,000+ Americans have claimed the IRA's electric vehicle tax credit



From 2022 thru 2024, IRA policies have introduced:

- 406,000 new clean energy jobs
- 600+ new/expanded battery, EV, and solar/wind manufacturing sites
- Majority of projects in 9 states: MI, TX, GE, CA, SC, **OH**, NC, AZ, and TN

# Impacts of the IRA

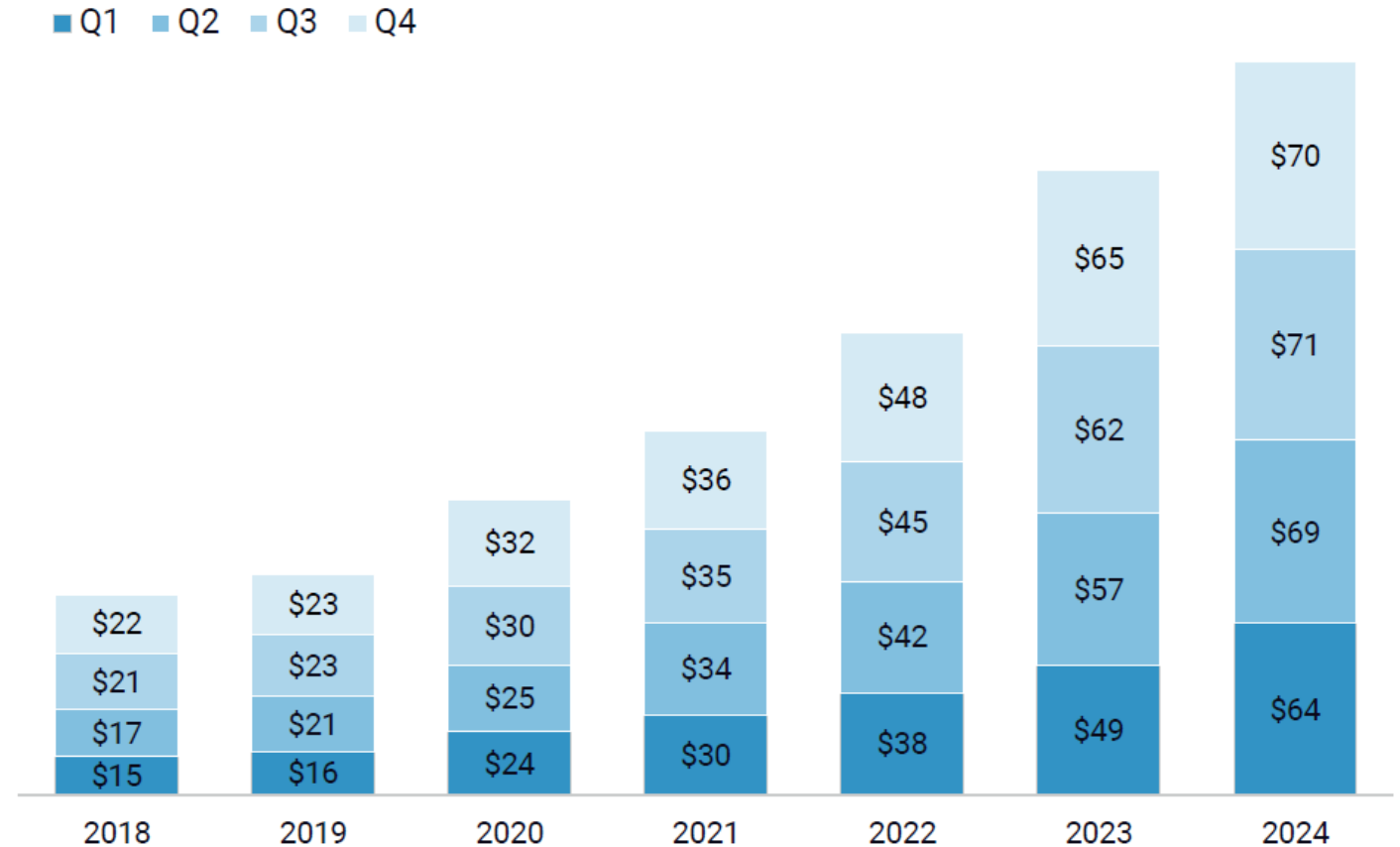
In the past 2.5 years:

- \$289 billion invested in manufacturing, clean electricity, and industrial facilities
- 2,034 new facilities opened
- 77% invested in Republican-led districts

Looking ahead:

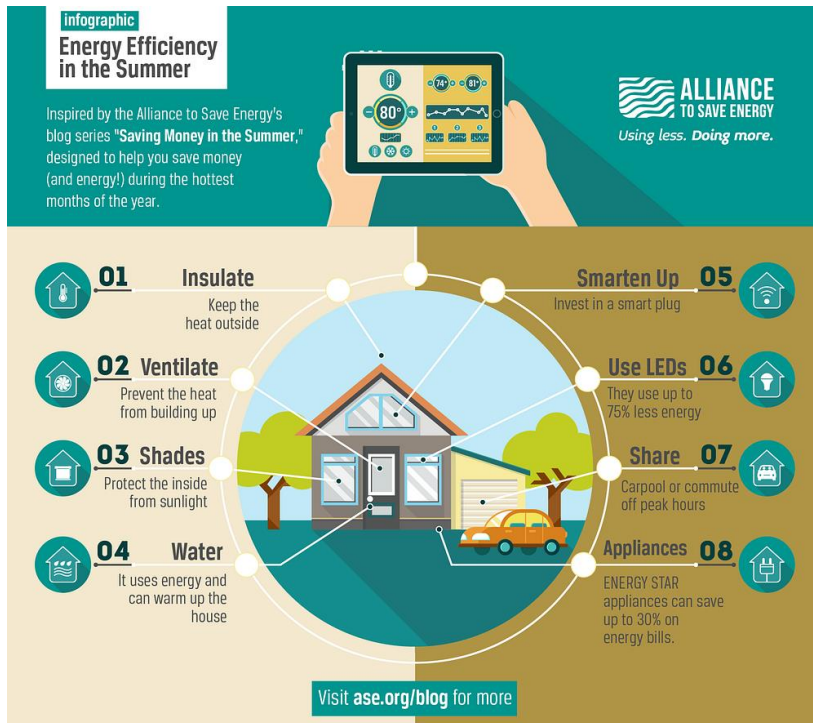
- \$524 billion in project pipeline of announced and under-construction facilities
- 77% in Republican-led districts

FIGURE 1  
**Clean investment by quarter**  
Billion 2023 USD

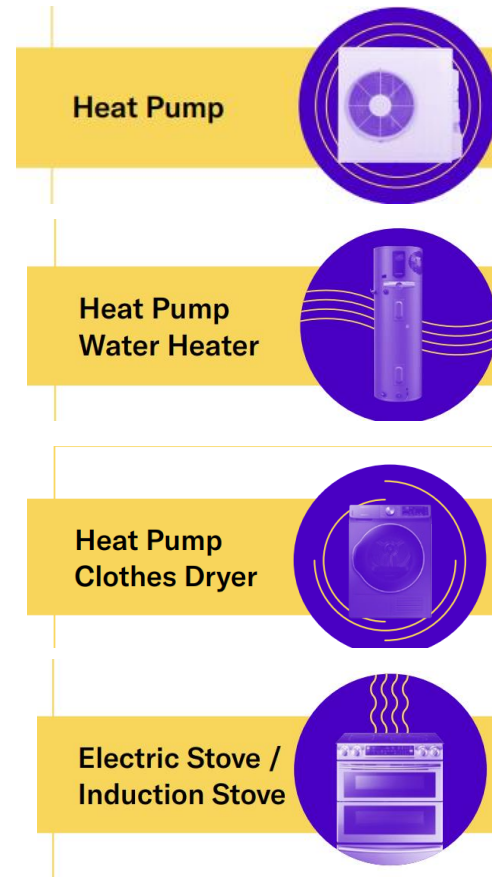


Source: Rhodium Group/MIT-CEEPR Clean Investment Monitor

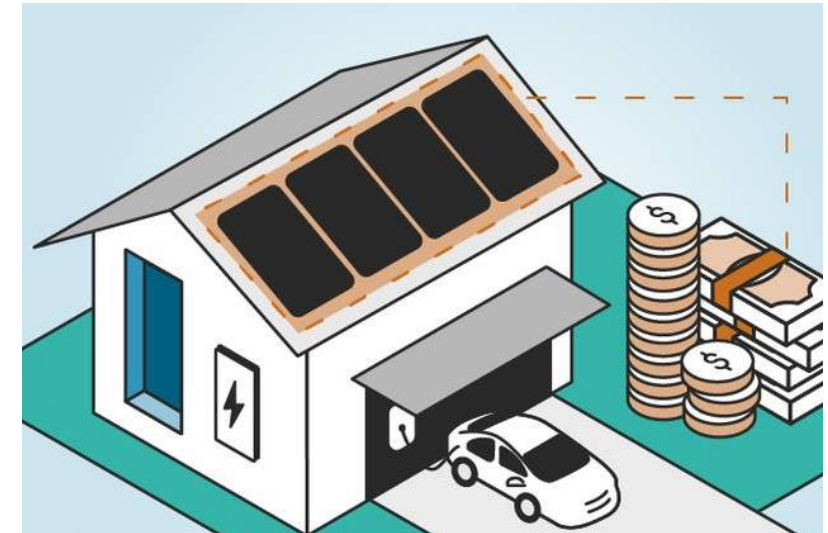
# Energy Upgrade Continuum



## 1. Energy Efficiency & Weatherization



## 2. Electrification



## 3. Clean Energy & Storage



# Energy Efficiency for Buildings



**Energy Audit**



**Insulation**



**Air sealing**



**Lighting**



**Efficient Windows**



**Efficient Doors**



**Skylights**



**Smart Thermostat**

# Electrification for Buildings



**Heat Pump  
Water Heater**



**Electric Panel  
& Wiring**



**Electric or Induction Stove**



**Heat Pump  
Clothes Dryer**



**High Efficiency A/C**



**Heat Pump**



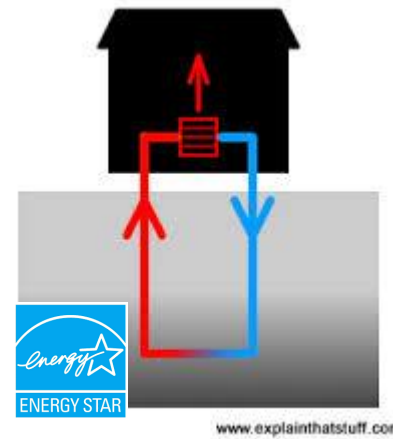
# Clean Energy & Storage



**Solar**



**Solar Water Heater**



**Geothermal  
Heat Pump**



**Battery Storage**



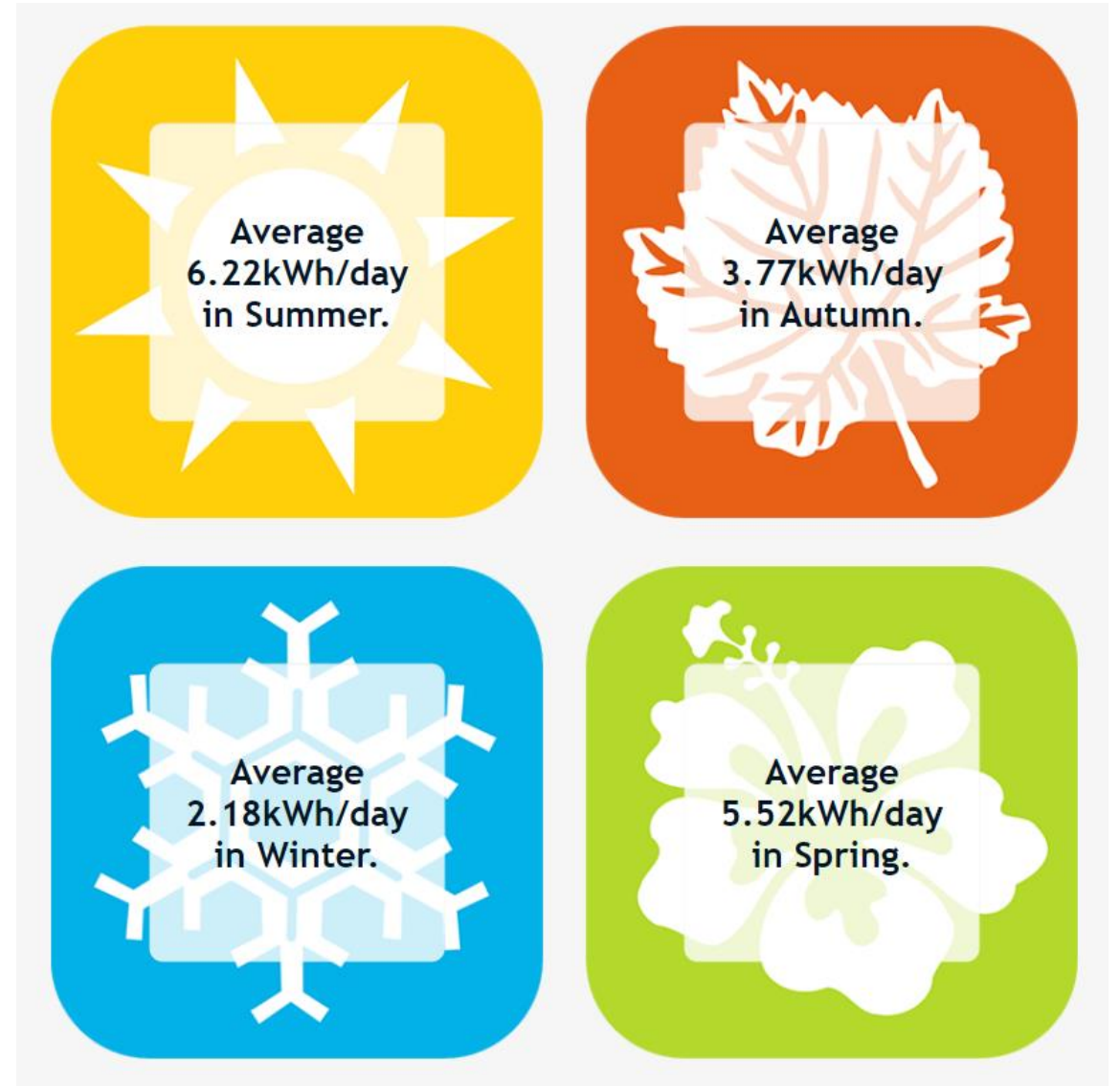


# Solar in Cincinnati

Yes, it's worth it!

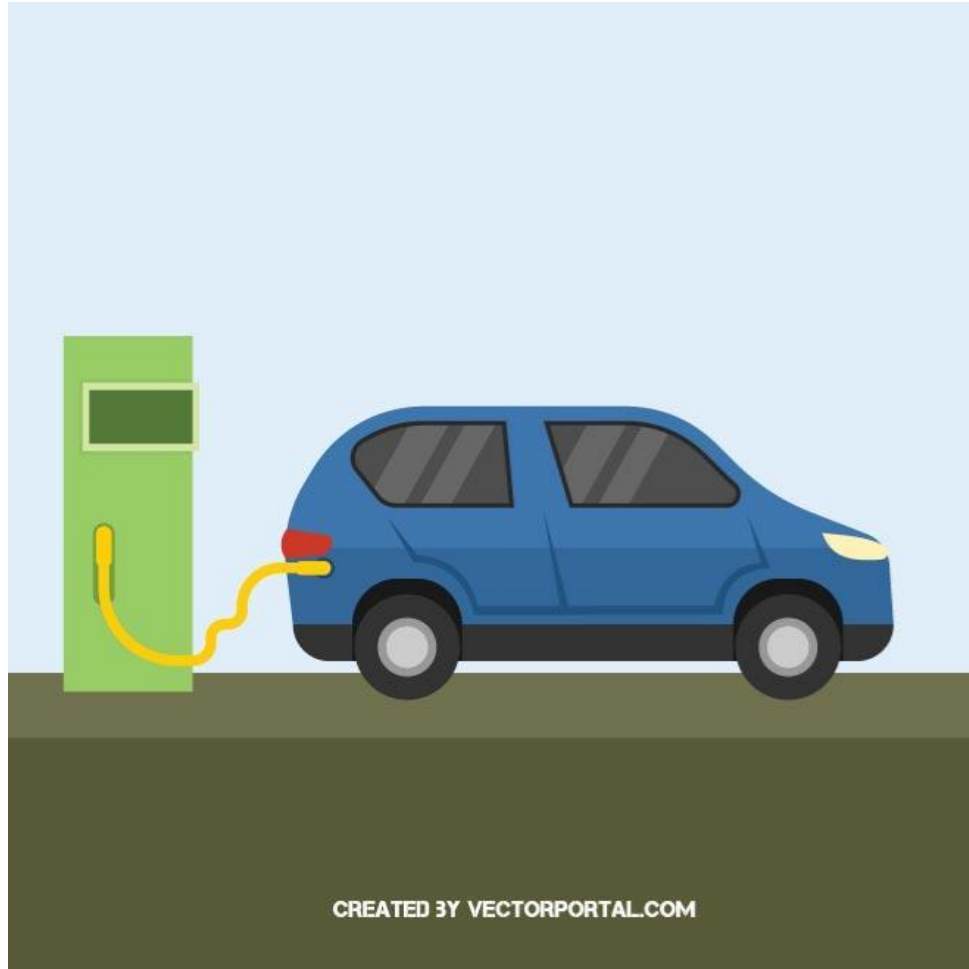
- Mild winters/low snowfall
- Seasonality, but still producing energy year-round
- *So long as your building isn't too shaded*

Is your building suitable for rooftop solar? Check out [EnergySage's Solar Calculator](#)! It's free and you don't have to provide your contact info. [Solar United Neighbors](#) has tons of resources, including a free Solar Help Desk!



Solar output per kW of installed solar PV in Cincinnati

# Clean Vehicles



## Commercial Clean Vehicles (Fleets)

- Businesses
- Cities
- Public institutions & nonprofits

## Individuals

- New Electric Vehicles (EVs)
- Used Electric Vehicles

## Charging Infrastructure

- Individuals (home)
- Businesses
- Cities
- Public institutions & nonprofits

## The “Domestic Content” incentive will spur demand for US made solar, wind, and storage.

**What:** “Domestic Content” incentivizes investments into US-made materials

**How Much:** 10% credit for eligible clean energy project costs

Year	% of Components for Clean Energy	% of Components for Offshore Wind	Steel & Iron
2024	40%	20%	100%
2025	45%	27.5%	100%
2026	50%	35%	100%
2027	55%	45%	100%
After 2027	55%	55%	100%

Source: [JRS](#).



Projects larger than 1 MW must meet domestic content requirements or they will not be able to benefit fully from direct pay. There are exemptions if the product or component is unavailable or increases the cost of the project by 25% or more.

# The Low-Income Communities Bonus, 48(e), is the only adder that is not guaranteed.



---

Annual capacity limitation is capped at 1.8 GW

---

Requires applying and being selected to receive credit. If not awarded credit must reapply the next year

---

Project must be smaller than 5 MW

---

Project cannot be placed in service before credit is allocated

---

10 or 20% bonus depending on criteria

# The IRA: Tax-Exempt Organizations

- Greenhouse Gas Reduction Fund (GGRF) loan programs, offering low-cost financing, are being developed, aimed at assisting with clean energy, electrification, and efficiency building upgrades and clean fleet vehicles and charging.
- “Tax-Exempt” covers anything under the 501 Tax Code: nonprofits, houses of worship, higher ed and public schools, local governments, public utilities, etc.
- The [179D](#) commercial building tax deduction for new builds and retrofits (interior lighting, HVAC, hot water, and building envelope) achieving at least 25% energy savings based on a certified energy audit or against standard building energy use for new builds (must use pass-through by designer/architect/installer).
- The Direct Pay Provision pertains to tax-exempt orgs; it provides a cash refund/tax credit for the credits below:

IRC	Tax Credit Name	Direct Pay	Efficiency	Electrify	Solar & Storage
<a href="#">45W</a>	Commercial Clean Vehicles	✓		X	
<a href="#">30C</a>	Alternative Fuel Vehicle Refueling Property Credit	✓		X	
<a href="#">48/48E</a>	Investment Tax Credit (ITC)	✓			X
45/45Y	Production Tax Credit (PTC) – more common for utility-scale	✓			X
	ITC/PTC Bonus Credits: 10%-20% <a href="#">Low-Income Communities</a> , 10% <a href="#">Energy Communities</a> , and 10% <a href="#">Domestic Content</a>	✓			X

# Elective Pay Provision for Tax-Exempt Orgs {Direct Pay}

Tax-exempt organizations file a return through the direct pay provision and receive a tax-free cash payment for new clean energy projects and clean transportation purchases from the federal government – *the full amount of the credit, directly.*

Tax-exempt organizations have more financial support and incentives available for clean energy projects than ever before!

Applies to 12 specific tax credits. Most relevant:

IRS	Tax Credit Name	Electrify	Solar & Storage
<a href="#">48/48E</a>	Investment Tax Credit (ITC) & bonus credits		X*
<a href="#">45W</a>	Commercial Clean Vehicles	X	
<a href="#">30C</a>	Alternative Fuel Vehicle Refueling**	X	

\*The ITC is “technology agnostic”, but the most common energy property will be solar & battery storage.

\*\*Must be installed in rural or low-income census tracts

Help can be found at the Clean Energy Tax Navigator by L4GG:

<https://cleanenergytaxnavigator.org/>

Also, L4GG’s Elective Pay & IRA Tax Incentives Resource Page:

<https://www.lawyersforgoodgovernment.org/elective-pay-ira-tax-incentives>



# Eligible Technologies



**Solar PV**



**Battery Energy Storage**



**Thermal Energy Storage**



**Microgrid Controllers**



**Ground Source Heat Pumps**



**Electric Vehicles**



**Small-Scale Wind**



**Qualified Biogas**



**Combined Heat & Power**



**Fuel Cells**



**EV Charging**

# The IRA: Businesses

- Loan programs aimed at assisting businesses directly (Green Bank) or via pass-through funding (loans and grants) from state governments
- The [179D](#) Energy Efficient Commercial Buildings tax deduction for retrofits (interior lighting, HVAC, hot water, and building envelope) achieving at least 25% energy savings based on a certified energy audit or new building standards.
- Efficiency and Electrification rebates will be available to commercial low-income multifamily owner/operators.
- Tax Credits:

IRC	Tax Credit Name	Efficiency	Electrify	Solar & Storage
<a href="#">45W</a>	Commercial Clean Vehicles		X	
<a href="#">30C</a>	Alternative Fuel Vehicle Refueling Property Credit		X	
<a href="#">45L</a>	New Energy Efficient Homes	X		
<a href="#">48/48E</a>	Investment Tax Credit (ITC)			X
45/45Y	Production Tax Credit (PTC) – more common for utility-scale			X
	ITC/PTC Bonus Credits: 10-20% <a href="#">Low Income Communities</a> , 10% <a href="#">Energy Communities</a> , and 10% <a href="#">Domestic Content</a>			X

# Technical Assistance:

## Environmental Justice Thriving Communities

### Technical Assistance Centers ([EJ TCTACS](#))



**EJ TCTAC**  
Environmental Justice  
Thriving Communities Technical  
Assistance Centers Program  
U.S. Environmental Protection Agency  
in partnership with the Department of Energy

EJ TCTACS support communities doing environmental and energy justice work.

[Region 5: Blacks in Green \(BIG\) Justice TCTAC](#)

[Region 5: Great Lakes EJ TCTAC](#)

[Region 4: REACT4EJ at RTI International](#)

[Region 4: Deep South Center for Environmental Justice \(DSCEJ\) Community Investment Recovery Center \(CIRC\)](#)

**Support Services:** Guidance and training for grant writing & management, project development, mapping and engineering, budgeting, and more.

- **Eligible for T.A.:**

- Nonprofits, CBOs, philanthropic/civic orgs,
- Disinvested and/or rural/remote communities, businesses, and individuals thereof,
- Faith-based orgs,
- Educational institutions,
- Local, tribal, and state government
- Utility providers
- Healthcare providers/clinics

Region 5

Ohio & Indiana

[Blacks in Green \(BIG\)](#)

✉ [BIGEJTCTAC@blacksingreen.org](mailto:BIGEJTCTAC@blacksingreen.org)

☎ 1-833-828-2269

[Request Technical Assistance in Region 5 \(BIG\)](#)

[Great Lakes Environmental Justice Thriving Communities Technical Assistance Center \(Great Lakes EJ TCTAC\) at the University of Minnesota](#)

✉ [tctac@umn.edu](mailto:tctac@umn.edu)

☎ 800-525-8636

[Request Technical Assistance in Region 5 \(Great Lakes EJ TCTAC\)](#)

Region 4

Kentucky



Resource for Assistance and  
Community Training in Region 4  
on Environmental Justice

[REACT4EJ at RTI International](#)

✉ Janelle Armstrong-Brown - Senior Manager, Center for Equity and Social Justice Research

✉ [jarmstrongbrown@rti.org](mailto:jarmstrongbrown@rti.org)

☎ 1-866-309-4559

✉ James Harrington - Research Chemist

✉ [jharrington@rti.org](mailto:jharrington@rti.org)

☎ 1-866-309-4559

☎ 866-309-4559

[Request Technical Assistance in Region 4 \(REACT4EJ\)](#)



DEEP SOUTH CENTER FOR ENVIRONMENTAL JUSTICE  
COMMUNITY INVESTMENT  
RECOVERY CENTER

[Deep South Center for Environmental Justice \(DSCEJ\) Community Investment Recovery Center \(CIRC\)](#)

✉ [circ@dscej.org](mailto:circ@dscej.org)

[Request Technical Assistance in Region 4 \(DSCEJ\)](#)

# EJ Thriving Communities Grantmakers subgrants

- **Supports community-based organizations representing priority communities to address issues like air quality and asthma, healthy homes that are energy/water use efficient, cleanup projects, etc.**
- **Eligibility:** Nonprofits and community-based organizations, tribes, local gov't, and higher ed institutions
- **Funding:**
  - Tier 1 (Assessment): Up to \$150k and 1 year OR up to \$75k (non-competitive) for severely capacity-constrained CBOs
  - Tier 2 (Planning): Up to \$250k and 1-2 years
  - Tier 3 (Development): Up to \$350k and 2 years
- **Region 4 (includes Kentucky): [Research Triangle Institute \(RTI\)](#):** Currently closed, but with litigation may be reinstated if the KY Leads did not yet take action to terminate
- **Region 5 (includes Indiana & Ohio): [Minneapolis Foundation Great Lakes EJ TCGM](#):** RFP is temporarily closed due to significant interest.

# 5 actions for orgs/cities/biz to get started

Talk about it! This is a team effort!

**1**

**Put IRA on the agenda**

**4**

**Re-evaluate current projects**

Early in planning?  
How can you adjust to take advantage?

Projects put into service after Jan 1, 2023

**2**

**Claim credits for recently completed projects**

**5**

**Bring an IRA lens to facilities & capital plans**

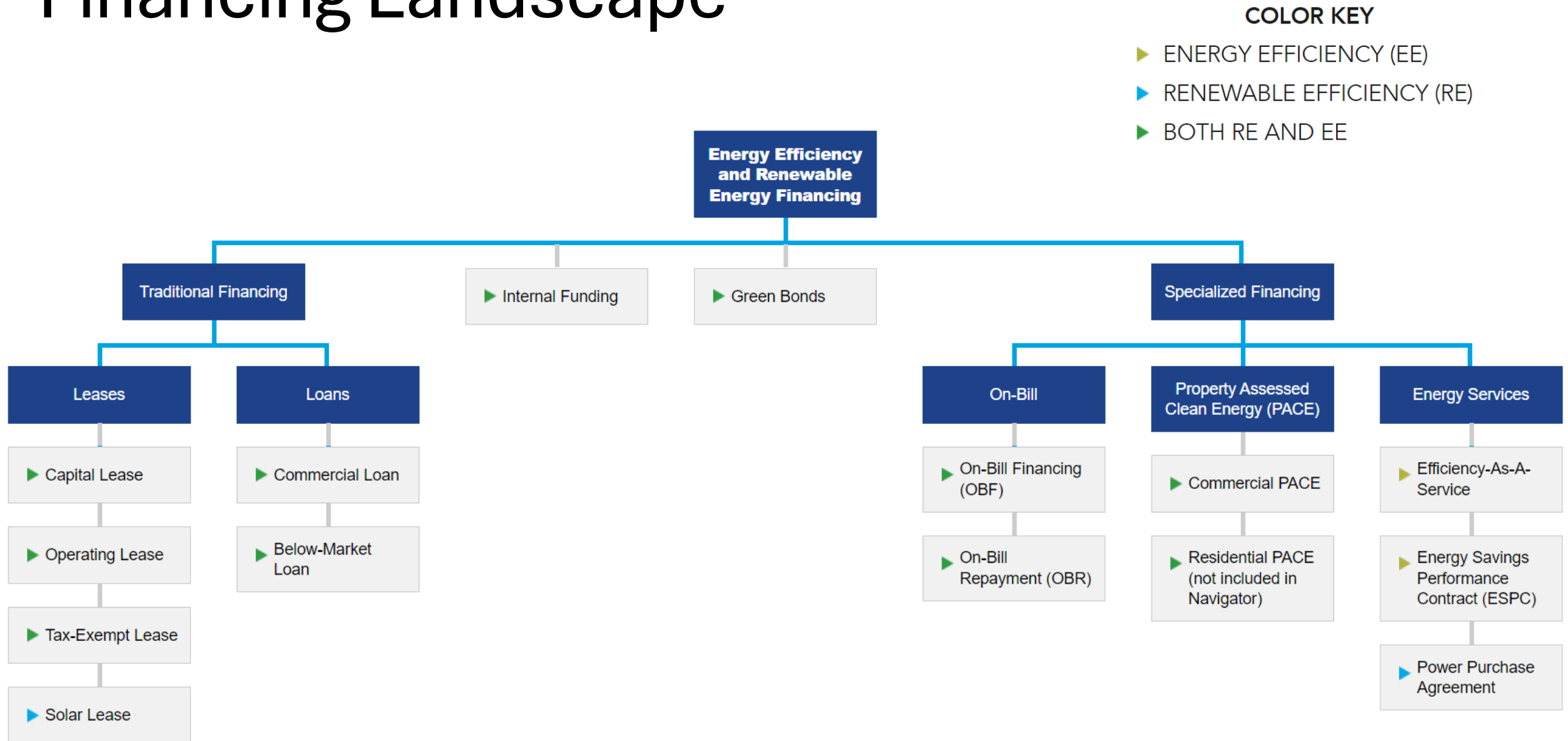
Make sure the project can maximize incentives

**3**

**Align eligible projects that are currently underway**



# Financing Landscape



# Financing Strategies W/O Grants



**Energy-as-a-Service (EaaS):** A business model where customers get energy upgrades with no upfront capital investment, and the company finances, installs, owns, and operates the infrastructure for a subscription fee. The customer gets reduced utility bills and can meet sustainability goals, while the EaaS company profits off the subscriptions. Example technologies: rooftop solar, lighting, and HVAC.



**Power Purchase Agreement (PPA):** A 3<sup>rd</sup>-party developer installs, owns, and operates an energy system on a customer's property. The customer purchases the system's electricity output. No upfront capital from the customer, and often a lower cost of energy. Example technologies: rooftop solar, combined heat and power (CHP).

Nonprofit specialists: [RE-volv](#) and [CollectiveSun](#)