

Energy Financial Incentives Available in Massachusetts

CET has compiled this outline of financial incentives available for energy efficiency and renewable energy improvements. Energy efficiency improvements are the most cost-effective way to reduce your energy usage, and should be implemented first. Check with your utility company for updates, as changes frequently occur. This document is also at www.cetonline.org where links can be directly accessed.

ENERGY EFFICIENCY

Federal Residential Energy Efficiency Personal Tax Credits

30% of cost of qualified energy efficiency improvements purchased between 1/1/09 and 12/31/10 for the building envelope and for new high efficiency heating, cooling and water heating systems. Improvements and equipment must serve an existing residence owned and used by the taxpayer as a primary residence. The maximum credit for all improvements combined is \$1,500.

For more information: www.dsireusa.org

Home Energy Assessment and Efficient Improvements

MassSAVE, sponsored by electric and gas utilities, offers 75% savings (up to \$2000 depending on utility company service territory) on eligible home energy efficiency upgrades such as adding insulation and sealing air leaks. You may also qualify for a 0% interest loan up to \$15,000 for efficiency measures such as insulation, air sealing, high efficiency heating systems, solar hot water and more. Begin with a no-cost home energy audit.

For more information: Mass SAVE 1-866-527-7283 or www.masssave.com

RENEWABLE ENERGY

Commonwealth Solar

A rebate program for the installation of grid-tied photovoltaic projects at residential, commercial, industrial, institutional, agricultural and public facilities. Non-residential projects are eligible for rebates for PV projects up to 500 kilowatts (kW) and residential projects are eligible for up to 5 kW. The applicant (and project site) must be a customer of a Massachusetts investor-owned electric utility.

For more information: (508) 439-5700 or email cs@masstech.org
www.masstech.org/RenewableEnergy/commonwealth_solar/index.html

Small Renewables Initiative (SRI)

A rebate program for grid-connected small-scale (10 kW or less) hydropower offered by the Massachusetts Technology Collaborative (MTC). An energy audit is required.

For more information: 508-439-5640 or www.masstech.org/renewableenergy/small_renewables.htm

Large Onsite Renewables Initiative (LORI)

Awards grants for feasibility studies and design & construction projects of qualifying renewable energy systems greater than 10 kW. Eligible projects are those located at commercial, industrial, institutional, or public sites. The system must be served by a Massachusetts investor-owned electric utility company. Qualifying technologies include: wind, fuel cells, hydroelectric, landfill gas, and advanced biomass power conversion technologies. For solar photovoltaic projects, refer to Commonwealth Solar (above).

For more information: 508-870-0312 x 1273 or
www.masstech.org/renewableenergy/large_renewables.htm

Disclaimer: This information is intended to serve as a guide. CET does not profess tax expertise. Always seek assistance from a qualified tax professional before taking any action.



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RENEWABLE ENERGY Financial Incentives (Continued)

Statewide HEAT Loan Program

A gas and electric utility administered 0% interest financing program that includes solar hot water systems. Maximum loan amount is \$15,000.

For more information: Mass SAVE 1-866-527-7283 or www.masssave.com/about/heat_loan.php

Massachusetts State Tax Credit

Residential Renewable Energy Income Tax Credit: A 15% credit – up to \$1,000 – against owed Mass. income tax for the cost of a solar hot water and space heating, photovoltaics, and wind energy systems installed on a primary residence *after* any grants are subtracted. Excess credit may be carried forward up to three years. Owners and tenants of residential properties are eligible.

Corporate Excise Tax Exemption/Deduction: 100% of tangible property portion of the excise tax (at \$2.60 per \$1,000 of the taxable net worth of the system) for solar and wind energy systems.

For more information: www.dsireusa.org and click on Massachusetts

Federal Tax Credits

Residential Renewable Energy - 30% Personal Tax Credit

Tax credits are extended until Dec. 31, 2016.

No maximum credit limit for all systems placed in service after 2008.

The home served by these systems must be in the U.S and used as a residence by the taxpayer.

Equipment is placed in service when installation is complete.

If tax credit exceeds tax liability, the excess amount may be carried forward to the succeeding taxable year.

Details vary by technology, as outlined below:

Solar electric (photovoltaics):

- Maximum credit limit of \$2,000 for systems placed in service before Jan. 1, 2009.

Solar water heating

- Maximum credit of \$2,000 for systems placed in service before Jan. 1, 2009.
- Systems must be placed in service from January 1, 2006, through December 31, 2016.
- Equipment must be certified for performance by the Solar Rating Certification Corporation (SRCC) or a comparable entity endorsed by the government of the state in which the property is installed.
- At least half the energy used to heat the dwelling's water must be from solar in order to qualify.
- The tax credit does not apply to solar water heating property for swimming pools or hot tubs.

Geothermal heat pumps

- Maximum credit of \$2,000 for systems placed in service before Jan. 1, 2009.
- The geothermal heat pump must meet Energy Star program requirements in effect at the time the installation is completed.

Small wind energy

- Maximum credit of \$500/half kilowatt, not to exceed \$4,000 for systems placed in service in 2008.

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RENEWABLE ENERGY Financial Incentives (Continued)

Federal Tax Credits (continued)

Business/Corporate Energy Tax Credit

Solar: 30% of expenditures, no maximum limit. Eligible for systems that use solar energy to generate electricity, heat or cool (or provide hot water for use in) a structure, illuminate the inside of a structure using fiber-optic distributed sunlight, or provide solar process heat. Passive solar systems and solar pool-heating are *not* eligible. For more information about the solar energy component of this tax credit, see the Solar Energy Industries Association's (SEIA) [Guide to Federal Tax Incentives for Solar Energy](#).

Fuel Cells: 30% of expenditures, no maximum credit limit, capped at \$1,500 per 0.5 kW of capacity, placed in service after Oct. 3, 2008. (If placed in service on or before Oct. 3, credit is capped at \$500 per 0.5 kW.)

Small Wind Turbines: 30% of expenditures, maximum credit of \$4,000. Eligible turbines are up to 100 kW in capacity, placed in service after Oct. 3, 2008.

Geothermal Systems: 10% of expenditures, no maximum credit limit. Eligible systems include geothermal heat pumps (placed in service after Oct. 3, 2008) and equipment used to produce, distribute or use energy derived from a geothermal deposit.

Micro Hydro Turbines: 10% of expenditures, no maximum credit limit, but capped at \$200 per kW of capacity. Eligible micro hydro turbines sized up to 2 MW in capacity that have an electric-only generation efficiency of 26% or higher.

Combined Heat and Power (CHP): 10% of expenditures, no maximum limit. Eligible CHP systems: up to 50 MW in capacity that exceed 60% energy efficiency, subject to certain limitation and reductions for large systems. Other requirements apply. System must have been placed into service after Oct. 3, 2008.

For more information: www.dsireusa.org

Renewable Energy Certificates (RECs)

RECs represent the environmental benefits of the kilowatts produced by a renewable energy system, and have market value because they offset pollution from energy produced by fossil fuels. PV, wind and small hydro RECs from grid-connected systems can be sold to a renewable energy supplier.

Suppliers in Massachusetts: Mass Energy Consumers Alliance 617-524-3950

www.massenergy.com/Solar.REC.Sale.html or Conservation Services Group 508-836-9500 x 3361

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Additional Websites

www.energytaxincentives.org

This web site of the Tax Incentives Assistance Project (TIAP) is sponsored by a coalition of public interest nonprofit groups, government agencies, and other organizations in the energy efficiency field. It gives consumers and businesses information to make use of the federal income tax incentives for energy efficient products and technologies passed by Congress as part of the Energy Policy Act of 2005.

www.eere.energy.gov

The US Department of Energy has a comprehensive site with information about energy efficiency and renewable energy.

www.mass.gov/doer

The Massachusetts Department of Energy Resources web site has more information about incentives and assistance for particular projects. They can also be reached at 617-727-4732.

www.gasnetworks.com

An umbrella organization for the gas utilities, offering information on rebates for heating and hot water systems, thermostats and more. For Berkshire Gas customers: www.berkshiregas.com

www.energystar.gov

Energy Star is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy that helps you save money and protect the environment through energy efficient products and practices for homes and businesses.

www.rurdev.usda.gov/rbs/farbill/

USDA Farm Bill Section 9006 established the Renewable Energy Systems and Energy Efficiency Improvements Program. This program funds grants and loan guarantees to agricultural producers and rural small business for assistance with purchasing renewable energy systems and making energy efficiency improvements.

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