

Energy Efficiency and Renewable Energy Resources and Incentives for Homeowners

Table of Contents

Utility Incentives	P 2
Massachusetts Governmental Incentives	P 3
Massachusetts Tax Incentives	P 3
Federal Tax Credits	P 4

INTRODUCTION

Homeowners in the United States are currently recognizing the cost-saving potential and environmental importance of making their homes more energy efficient and of using renewable energy. This document lists four sources of incentives to help you purchase and install equipment for your primary residence: Utilities, Massachusetts Governmental Incentives, Massachusetts Tax Incentives, and Federal Tax Credits. In the long term, purchasing and installing energy efficient products can help save you money on your energy bill that continue to accrue each year!

HOW TO START SAVING

Contact **MassSAVE** at 1-866-527-7283 to schedule a free Home Energy Assessment. MassSAVE is a program provided by the Commonwealth of Massachusetts which offers various programs in collaboration with utility companies. Independent of the utility companies, MassSAVE offers:

- 1 Residential Efficiency and Renewable Energy Hotline:** Provides residents of Massachusetts reliable information about energy efficiency, renewable energy and will match residents' needs with appropriate resources and incentives.
- 2 Home Energy Assessments:** Provides evaluations from an Energy Auditor for potential energy efficiency and renewable energy improvements for residential utility customers. The energy auditor will also discuss the financial incentives and savings from potential upgrades that you are eligible for.
- 3 Quality Assurance Assessment:** Ensures that all vendors and utility companies are appropriately educated about MassSave programs, including inspecting contractor's work for completeness, quality, and customer satisfaction.
- 4 Statewide HEAT Loan Program:** A program that offers loans up to \$15,000 with no interest for 7 years for

eligible energy efficient equipment. This program requires that you get a Home Energy Assessment through the MassSAVE Program. Energy efficient products include:

- Attic, Wall, and Basement Insulation
- High Efficiency Heating Systems
- High Efficiency Domestic
- Hot Water Systems
- Solar Hot Water Systems
- Energy Star® Windows
- Energy Star® Thermostat

NOTE: Installations must be completed by a qualified contractor

For more information about this program and rebates: http://www.masssave.com/about/heat_loan.php

For more information about MassSAVE: <http://www.masssave.com/>

UTILITY INCENTIVES

- 1 Utility Rebate Program (Electric):** National Grid is offering a rebate program to residents for the purchase and/or installation of certain Energy Star certified equipment. Rebates range anywhere from \$2 - \$600.

For more information about this program: www.thinksmarthinkgreen.com

- 2 Utility Rebate Program (Gas):** The National Grid is offering Energy Efficient Rebates for natural gas consumption, which is offered to any residential heating customer in Massachusetts. The maximum incentive for the Weatherizing Program is 75% of the costs; up to \$2000. Act Fast! Weatherization work must be completed between 9/1/2008 and 8/31/2009

Eligible equipment for rebates ranging from \$10 - \$1,000 include: windows; programmable thermostats; furnaces; natural gas hot water heaters; and natural gas boilers

For more information about this program: <http://thinksmarthinkgreen.com/service/magas.html>

- 3 Utility Rebate Program (Solar):** National Grid is offering a program for residences with eligible solar hot water systems for rebates of 15% off project costs with a maximum rebate of \$1,500 for systems which include solar water heat, solar space heat and solar thermal process

NOTE: This rebate requires that participating customers share their water heating usage data with National Grid for a period of 12 months in order to receive funding.

For more information about this program: <http://thinksmarthinkgreen.com/service/nygas.html>

- 4 Massachusetts Energy Consumer Alliance renewable energy certificate supplier program:** A program which gives Massachusetts residents a chance to generate extra revenue from selling products from their solar and wind systems installed after 1998. This program is offered by the National Grid and offers to purchase renewable energy credits (RECs) from photovoltaic (PV) systems, and small wind-energy systems.

\$30 per megawatt-hour (\$0.03 per kilowatt-hour) for a period of three years. After the three-year contract, owners can consider other opportunities for selling RECs.

For more information about this program: <http://www.massenergy.com/solar.rec.sale.html>

MASSACHUSETTS GOVERNMENTAL INCENTIVES

- 1 Commonwealth Solar:** Massachusetts is offering a state research program which provides a rebate for the installation of electric grid-tied photovoltaic systems at residential facilities. The incentives range between \$1.00 - \$4.40/W DC (varies by capacity, applicant type and rebate “adders”).

NOTE: The projects must be in compliance with all of the local, state, and/or federal building or electric laws, and must be installed by a licensed electrician.

- The residential projects are eligible for incentives for systems up to 5 kilowatts (kW) in capacity.

The rebate amounts are based on the size and certain other characteristics of the project.

- The base incentive: \$1.00/watt.
- Adder for Massachusetts company components: \$0.15/watt.
- Adder for moderate home value: \$2.00/watt.
- Adder for moderate income: \$1.25/watt.

The rebate cap is at \$20,000 total per residential project.

For more information about this program: <http://www.masstech.org/solar>

- 2 State Rebate Program (Wind):** Massachusetts offers a program called the Small Renewable Initiative which provides rebates for the installation of micro-wind and hydroelectric projects that are up to 10 kilowatts and located in residential developments.

The range of funding is between \$2.00/watt and \$6.50/watt, depending on technology and application. Projects must be located in an area which is served by: Unitil, National Grid, NSTAR, or Western Massachusetts Electric.

NOTE: Ten percent of the given rebate will be withheld until completion of project.

For more information about this program: http://www.masstech.org/renewableenergy/small_renewables.htm

- 3 Green Communities Program:** The Green Communities Program offers “net metering” to residents who own renewable energy systems. Net metering allows consumers to feed any surplus electricity generated by their system into the electric grid.

NOTE: Customers with renewable energy systems sized 60kW or smaller can sell excess power back to their utility and receive a credit for power produced.

The value of excess power varies from about \$0.045 to \$0.08 per kilowatt-hour.

For more information about this program: www.mass.gov/doer

MASSACHUSETTS TAX INCENTIVES

- 1 Personal Tax Credit (Income Tax):** Massachusetts will give a tax credit of 15% or up to \$1000 against the state income tax for net expenditure (including installation costs) for purchasing renewable energy systems for your home. Renewable energy systems include solar water and space heaters, wind energy systems and photovoltaic systems.

For more information about this program: <http://www.dor.state.ma.us>

- 2 Sales Tax Exemption (Sales Tax):** Massachusetts will give a 100% exemption of the state sales tax when purchasing equipment directly related to any solar, wind, or heat pump system.

For more information about this program: <http://www.mass.gov/doer>

FEDERAL TAX CREDITS

1 Personal Tax Credit: The Federal Government is offering a tax credit of 30% for the purchase and/or installation of high efficiency:

- Water heaters
- Furnaces
- Boilers
- Heat pumps
- Air conditioners
- Building insulation
- Windows, doors, roofs
- Circulating Fans (for furnaces)

NOTE: A requirement of this incentive is that the home must be your primary residence. The maximum incentive is \$1,500 for equipment purchased during the two year period of 2009 and 2010.

For more information about this program: <http://www.irs.gov>

EXAMPLE: PURCHASE OF A SOLAR WATER HEATER

Eligible expenditures	\$6,000
State tax credit	- 1,400
Federal tax credit	- 1,800
Federal tax adjustment**	+ 392
Net Cost	\$3,192

** (This assumes a tax credit of 28%)

2 Personal Tax Credits: The Federal Government is offering a 30% residential renewable energy tax credit for homeowners purchasing solar water heaters, photovoltaic systems, wind, fuel cells, geothermal heat pumps, and other solar electric technologies

NOTE: Excess tax credits may be carried forward to the next tax year.

The incentives are:

- Solar-electric systems placed in service before 2009: \$2,000
- Solar-electric systems placed in service after 2008: no maximum
- Solar water heaters placed in service before 2009: \$2,000.
- Solar water heaters placed in service after 2008: no maximum.
- Wind turbines placed in service in 2008: \$4,000.
- Wind turbines placed in service after 2008: no maximum.
- Geothermal heat pumps placed in service in 2008: \$2,000
- Geothermal heat pumps placed in service after 2008: no maximum.
- Fuel cells: \$500 per 0.5 kW.

For more information about this program: <http://www.mass.gov/doer>