

# Climate Mobilization Act Series: Funding, Financing & Incentives



building  
energy  
exchange

31 Chambers Street  
New York, NY

IRA, GGRF, 179D, HEAR. What do all these have in common? They're examples of funding opportunities that can help you meet New York's ambitious climate mandates and create healthy, high-performance buildings. Join BE-Ex and NRDC for the latest event in our Climate Mobilization Act Series and learn how to make the most of current and future funding, financing, and incentive opportunities.

opening remarks:

**Joe Chavez, Deputy Director, Resilient & Efficient Buildings, MOCEJ**

keynote speaker:

**Rory Christian, Chair, Public Service Commission**

presenters:

**Ben Evans, Federal Legislative Director, U.S. Green Building Council**

**Hailey Moll, Manager, Educational Resources, BE-Ex**

speakers:

**Ben Evans, Federal Legislative Director, U.S. Green Building Council**

**Danielle Donnelly, Assistant VP of Sustainability, CPC**

**Michael Reed, Acting Head of Large Buildings, NYSERDA**

**Paul Stanley, Executive Director, Sustainable Finance, Wells Fargo**

moderator:

**Esther Toporovsky, Executive Director, Community Sustainability Partners**

Sep. 11, 2024

9:30 to 11:00am

1.5 AIA  
LU | HSW



# Buildings and the IRA: The New Incentives for Going Green



VB Parks + Recreation | LEED Certified | Photo: Yuzhu Zheng Photography



River Point | LEED Gold | Photo: Ray Cavacchio



Southwest Library | LEED Platinum | Photo: ©James Steinkamp Photography

# \$800B?

Largest climate investment in history



Estimated to reduce U.S. GHG emissions by 40% by 2030 vs. 2005 baseline.

\*Note: The information contained in this slide deck is provided solely for informational purposes and does not constitute tax or legal advice, nor should it be relied on exclusively in determining IRA program eligibility.

# Primary IRA Buildings-Related Tax Incentives

- **Sec. 45L New Energy Efficient Homes Credit (IRA Sec. 13304):** Expanded homebuilder tax credit for new home construction, including multifamily, through 2032.
- **Sec. 179D Tax Deduction for Energy Efficient Commercial Buildings (IRA Sec. 13303):** Expanded tax deduction for commercial building efficiency improvements
- **Sec. 48 Clean Electricity Investment Tax Credit (IRA Secs. 13102 & 13702):** Expanded ITC for clean energy investments such as rooftop solar, geothermal, CHP and storage extended for at least 10 years.
- **Sec. 30C Alternative Fuel Vehicle Refueling Property Credit (IRA Sec. 13404):** Expanded tax credit for EV charging systems and other alternative fuel vehicle infrastructure through 2032.

**Form 8911**  
(Rev. January 2024)  
Department of the Treasury  
Internal Revenue Service

**Alternative Fuel Vehicle Refueling Property Credit**  
Attach to your tax return.  
Go to [www.irs.gov/Form8911](http://www.irs.gov/Form8911) for instructions and the latest information.

OMB No. 1545-0123  
Attachment Sequence No. 151

Name(s) shown on return \_\_\_\_\_ Identifying number \_\_\_\_\_

**Part I Total Cost of Refueling Property**

1 Total cost of qualified alternative fuel vehicle refueling property placed in service during the tax year \_\_\_\_\_ 1

**Part II Credit for Business/Investment Use Part of Refueling Property**

2 Business/investment use part (see instructions) \_\_\_\_\_ 2

3 Section 179 expense deduction (see instructions) \_\_\_\_\_ 3

4a Subtract line 3 from line 2 \_\_\_\_\_ 4a

b Enter any amount included on line 4a attributable to property placed in service as part of a project subject to project requirements that were not met (see instructions) \_\_\_\_\_ 4b

c Subtract line 4b from line 4a \_\_\_\_\_ 4c

5a Multiply line 4c by 50% (0.50) \_\_\_\_\_ 5a

**Form 7205**  
(December 2022)  
Department of the Treasury  
Internal Revenue Service

**Energy Efficient Commercial Buildings Deduction**  
Attach to your tax return.  
Go to [www.irs.gov/Form7205](http://www.irs.gov/Form7205) for instructions and the latest information.

OMB No. 1545-2004

Name(s) shown on return \_\_\_\_\_ Identifying number \_\_\_\_\_

Claiming deduction as (check one):  Building owner  Designer of energy efficient commercial building property (EECBP)

**Part I Building and EECBP Information (see instructions)**

1	(a) Address of building	(b) Date EECBP placed in service	(c) EECBP system and computed energy savings percentage*				(d) Check if interim lighting rule was used	(e) Potential amount per square foot based on energy savings and system (see instructions)	(f) Building square footage	(g) Potential section 179D deduction amount (multiply column 1(e) by column 1(f))
			A	E	H	L				
A			%	%	%	%	<input type="checkbox"/>			
B			%	%	%	%	<input type="checkbox"/>			
C			%	%	%	%	<input type="checkbox"/>			
D			%	%	%	%	<input type="checkbox"/>			

\* A = All systems; E = Building envelope; H = Heating, cooling, ventilation, and hot water system; L = Interior lighting system

**Part II Computation of Energy Efficient Commercial Buildings Deduction Amount (see instructions)**

2	(a) Total per square foot amount claimed in prior years	(b) Subtract column 2(a) from the maximum amount allowed (see instructions)	(c) Check if the amount in column 2(b) is greater than or equal to column 1(e)	(d) If column 2(c) is checked, enter amount from column 1(g), skip column 2(e) and column 2(f) and go to column 2(i); otherwise, enter -0-	(e) Check if the amount from column 2(b) is less than the amount in column 1(e)	(f) If column 2(e) is checked, multiply column 2(b) by column 1(f)
A			<input type="checkbox"/>		<input type="checkbox"/>	
B			<input type="checkbox"/>		<input type="checkbox"/>	
C			<input type="checkbox"/>		<input type="checkbox"/>	
D			<input type="checkbox"/>		<input type="checkbox"/>	

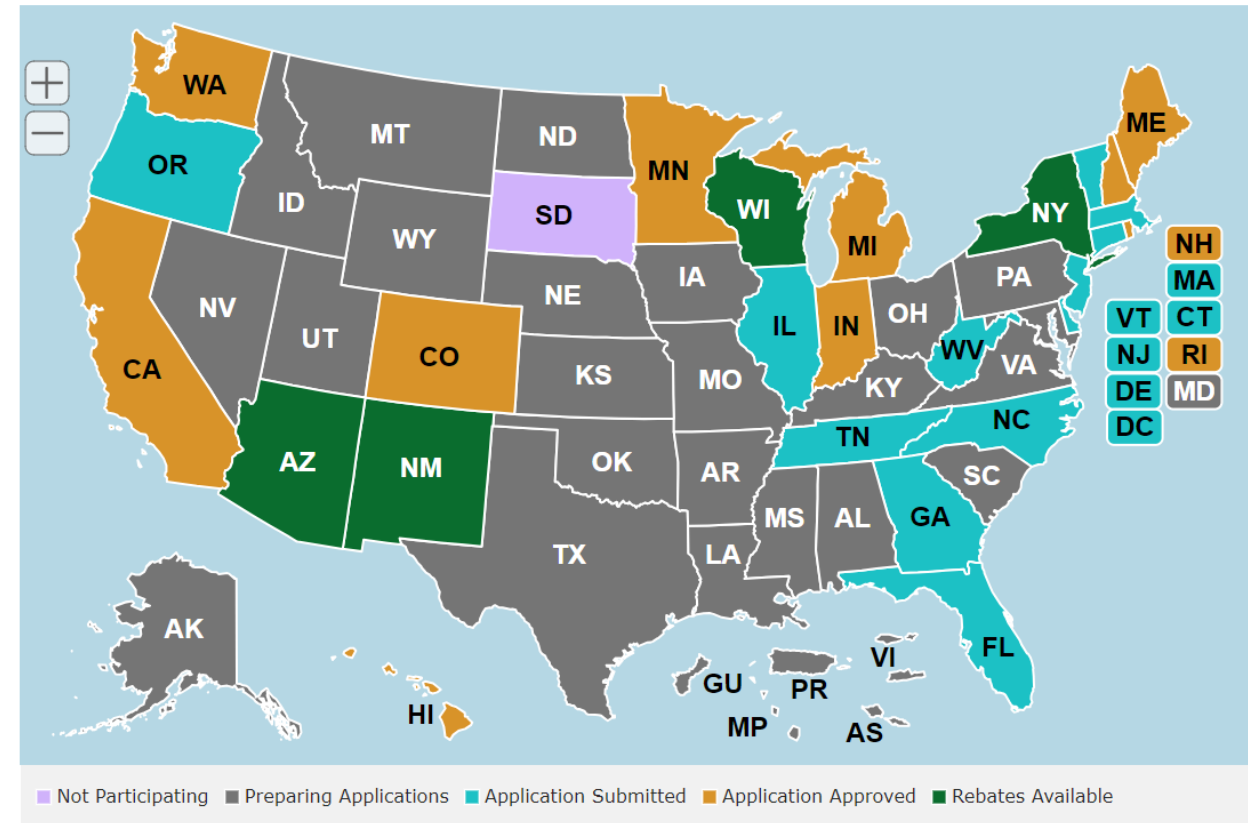
	(g) Cost of energy efficient commercial building property placed in service during the tax year (see instructions if building ownership percentage is less than 100%)	(h) Enter the greater of column 2(d) or column 2(f) (see instructions if building ownership percentage is less than 100%)	(i) Enter the lesser of column 2(g) or column 2(h)	(j) Designers enter the amount of the section 179D deduction allocated to you as the designer (see instructions)	(k) Section 179D deduction for the building. Designers, enter the lesser of column 2(i) or column 2(j). Building owners, enter the amount from column 2(i)
A					
B					
C					
D					

3 Total section 179D deduction. Add amounts from column 2(k). Enter here and on the appropriate line of your return. See instructions \_\_\_\_\_ 3

**Part III Certification Information for Each Property Listed in Part I**

# Department of Energy (DOE) Home Energy Rebates (IRA Sec. 50121 & 50122)

- \$8.8 billion in funding for Home Energy Rebates, comprised of two programs:
  - \$4.3B Home Efficiency Rebates typically ranging from **\$2,000-\$8,000** for SF and MF.
  - \$4.5B Home Electrification & Appliance Rebates from \$840 for dryers and stoves to \$8,000 for heat pumps. **Max \$14,000/household.**
- Emphasis on low- and moderate-income households. Minimum of 10% of funding must go to multifamily housing. Many states likely to focus on multifamily.
- Rebate programs to be established by State Energy Offices. See state-by-state rebate allocations [here](#).
  - **New York - \$318M**
- DOE released detailed guidance for states in July 2023. States have until August 2024 to accept or decline the funds, and until January 2025 to submit a full application. Find out where your state is in the application process using [this tracker](#).



# Greenhouse Gas Reduction Fund (IRA Sec. 60103)

\$27B in IRA funding to seed a national network of nonprofit financial institutions financing tens of thousands of clean energy and energy efficiency projects and create residential solar programs, with an emphasis on low-income and disadvantaged communities. Buildings projects are a priority area of investment in first two programs below, with a wide array of eligible projects from single-family residential improvements to commercial new construction and renovation.



## \$14B National Clean Investment Fund

Funding awarded to three large national nonprofit financial institutions focused on scaling access to capital to execute clean technology projects nationwide.

## \$6B Clean Communities Investment Accelerator

Funding awarded to five “hub” nonprofit financial institutions to provide funding and technical assistance to local green banks, credit unions, CDFIs and other community lenders working in low-income and disadvantaged communities.

## \$7B Solar for All

Funding awarded to about 60 entities to invest in residential rooftop solar and community solar, with energy efficiency qualifying as an enabling upgrade.

# Hypothetical Multifamily Building – New Construction – 150,000sf/100 units

<i>Sec. 45L Tax Credit for high-efficiency homes</i>	\$2,500 per unit for meeting ENERGY STAR X 100 units	<b>\$250,000</b> tax credit
<i>Sec. 179D Tax Deduction for commercial building energy efficiency improvements</i>	\$3.50 per square foot for building performance 35% above ASHRAE 90.1-2007 X 150,000 square feet	\$525,000 tax deduction worth <b>\$131,250</b> at 25% tax rate.
<i>Sec. 48 Investment Tax Credit for clean energy investment</i>	30% base tax credit on \$400,000 investment in rooftop solar plus 10% low-income bonus credit	<b>\$160,000</b> tax credit
<i>Sec. 30C EV Tax Credit for EV charging infrastructure</i>	30% tax credit on \$100,000 investment in EV charging installations	<b>\$30,000</b> tax credit
<i>Greenhouse Gas Reduction Fund (i.e. Green Bank)</i>	Low-interest project financing	<b>\$600,000</b> in interest savings
<b>Total Savings</b>	Not including energy/operations cost savings or local/state incentives	<b>\$1,171,250</b>



# Ben Evans

Federal Legislative Director

U.S. Green Building Council

[bevans@usgbc.org](mailto:bevans@usgbc.org)

Note: The information contained in this slide deck is provided solely for informational purposes and does not constitute tax or legal advice, nor should it be relied on exclusively in determining IRA program eligibility.





be  
ex

---

building  
energy  
exchange

Funding, Financing &  
Incentives:  
*An Overview of City &  
State Opportunities*

# State Opportunities: HER & Climate Friendly Homes

# HER

## Overview

### Home Energy Rebates Program (HER)

- Managed by DOE through IRA funding
- \$8.8 billion for two consumer home energy rebate programs: whole home, energy efficiency upgrades and electric appliance upgrades
- Funding delivered primarily as: tax credits, grant and loan programs, rebates
- For states and Tribes
- NYS awarded \$317.7 million

## HER Rebates

---

### Home Efficiency Rebates

- For single and multifamily existing buildings
- Rebates for carrying out energy efficiency upgrades
- Amount based on whole home energy savings (modeled or measured) and income level

*\*DOE defines multifamily buildings as 2+ dwelling units*

## HEAR Rebates

---

### Home Electrification & Appliance Rebates

- For:
  - Households <150% AMI
  - Multifamily property owners with households <150% AMI comprising at least 50% of the residents,
  - Governmental, commercial, or nonprofit entities implementing the projects
- Rebates for purchase of efficient, electric appliances (heat pumps, cooking, insulation, air sealing, ventilation)
- Some ENERGY STAR requirements
- Amount based on income level

# CFHF

## Overview

### Climate Friendly Homes Fund (CFHF)

- Administered and deployed through Community Preservation Corporation (CPC)
- State goal: electrify 1 million homes and make another 1 million electrification-ready
- \$250 million allocated over 5 years to electrify 10,000 homes
- Provides financing for existing buildings in NYS to support electrification measures
  - For multifamily buildings and affordable housing between 5-50 units
  - \$25,000 per unit for electrifying heating, domestic hot water, and building/envelope upgrades
  - Properties must be located in either:
    - LMI Qualified Census Tract as defined by HUD
    - Disadvantaged Community as defined by CLCPA

# City Opportunities: PACE & J-51

## PACE

---

### Property Assessed Clean Energy Financing

- Administered by New York City Energy Efficiency Corporation (NYCEEC)
- For:
  - Commercial, industrial and multifamily property owners
  - Properties owned by typically tax-exempt non-profit institutions
- Long-term, fixed-rate financing with no upfront costs for energy efficiency and renewable energy projects
- Repaid on the tax bill

## J-51

---

### Tax Exemption and Abatement Program

- Eligibility determined by NYC HPD; administered by NYC Department of Finance
- For multifamily properties
- As-of-right tax exemption and abatement for residential rehabilitation or conversion to multiple dwellings
- Benefit dependent on location and improvement type(s)
- Replacement for current program not yet adopted by local law





be  
ex



building  
energy  
exchange



discuss.

**moderator**

Esther Toporovsky, Executive Director, Community Sustainability Partners

**panelists**

Danielle Donnelly, Assistant Vice President of Sustainability, The Community Preservation Corporation

Michael Reed, Acting Head of Large Buildings, NYSERDA

Paul Stanley, Executive Director, Sustainable Finance & Advisory, Wells Fargo

Ben Evans, Federal Legislative Director, U.S. Green Building Council



# discuss.

## moderator

Esther Toporovsky, Executive Director, Community Sustainability Partners

## panelists

Ben Evans, Federal Legislative Director, U.S. Green Building Council

Danielle Donnelly, Assistant Vice President of Sustainability, The Community Preservation Corporation

Michael Reed, Acting Head of Large Buildings, NYSERDA

Paul Stanley, Executive Director, Sustainable Finance & Advisory, Wells Fargo