

# Leveraging the Inflation Reduction Act (IRA)

*Ameresco can help identify and develop opportunities that leverage available incentives in support of your organization's clean energy goals*



## The Inflation Reduction Act (IRA)

provides unprecedented amounts of funding – nearly \$369 billion in direct investment to ensure energy security, reduce carbon emissions, increase energy innovation, and support environmental justice objectives with direct support for underserved communities. The bill includes a wide range of clean energy provisions that support energy efficiency, solar, storage, microgrids, electric vehicles, and more, with the goal of reducing carbon emissions by approximately 40 percent by 2030.

With customized solutions ranging from solar, microgrids and battery energy storage, to renewable natural gas, EV infrastructure and innovative financing structures, Ameresco is your long-term partner for the clean energy transition.

## Climate and Energy Tax Incentives Included in the IRA

### PTC Production Tax Credits

- **Clean Electricity:** Up to 2.5 cents per kWh of renewable or zero-carbon electricity, including solar
- **Clean Hydrogen:** Up to \$3 per kilogram of clean hydrogen produced

### ITC Investment Tax Credits

- **Clean Electricity and Energy Projects:** Up to 30% for renewable or low carbon energy projects
- **Expanded Eligibility:** Standalone energy storage, biogas, microgrid controllers now eligible for ITC
- **Geothermal Heating:** Up to 30% of investment in geothermal heating and cooling
- **Interconnection Costs:** Interconnection costs now eligible for ITC for projects under 5 MW



### Production, Investment Tax Credit Bonuses

- **American-Made:** Up to 10% bonus for meeting certain domestic content requirements
- **Energy Communities:** Up to 10% bonus for projects located in brownfields or communities connected to fossil fuel development
- **Low Income Communities:** Up to 10% bonus for ITC projects located in low-income communities or on tribal lands; up to 20% for projects in low-income residential communities through competitive allocation process



### Direct Pay Option

- A mechanism that allows an entity to claim a tax credit as a rebate, the Direct Pay Option is a part of the IRA for **tax-exempt entities** such as nonprofits, state and local governments, public schools and universities, and rural cooperatives, providing them a new tool to fund clean energy projects.

This legislation not only creates a 10-year runway for many energy tax incentives, but it also fundamentally revises the tax code to create a technology-neutral approach to incentivize the deployment of low carbon technologies.



## Partner with Ameresco

As a market leader and independent cleantech integrator, Ameresco is well-suited to help customers leverage the opportunities within this bill and meet their climate goals. With a deep bench of technical experts and breadth of experience in industries including healthcare, higher education, public housing, industrial and manufacturing, transportation, utilities and the public sector, Ameresco is your long-term partner for clean energy deployment.

Ameresco's team of energy experts can assist you in identifying the solution that fits your needs.

For more information about Ameresco and our full-range of energy efficiency and renewable energy solutions, please call **1-866-AMERESCO** or visit **ameresco.com**.

## Clean Vehicle Tax Credits

- **Consumer Vehicles:** Up to \$7,500 for purchase of electric vehicle, plug-in hybrid or hydrogen fuel cell vehicle
- **Commercial Vehicles:** Up to \$40,000 for purchase of clean vehicle weighing over 14,000 pounds; up to \$7,500 for vehicle weighing less than 14,000 pounds
- **Charging Stations:** Up to 30% of cost of charging stations or alternative fuel refueling station

## Carbon Capture Tax Credits

- **Industrial Facilities and Power Plants:** Up to \$85 per tonne of CO<sub>2</sub> captured and stored; up to \$60 per tonne CO<sub>2</sub> utilized
- **Direct Air Capture Facilities:** Up to \$180 per tonne of CO<sub>2</sub> captured and stored; up to \$130 per tonne CO<sub>2</sub> utilized

## Residential Tax Credits

- **Clean Energy:** Up to 30% of investment in residential solar, wind, geothermal, biomass and battery energy storage
- **Energy Efficiency:** Up to 30% of investment in projects that improve energy efficiency

## Miscellaneous Spending

- **Retired Assets:** \$5 billion to DOE Loan Programs Office to support projects that invest in retired generation or transmission infrastructure
- **Advanced Industrial Projects:** \$5.8 billion to DOE Office of Clean Energy Demonstrations to invest in projects that reduce emissions of energy-intensive industries
- **Greenhouse Gas Reduction Fund:** \$27 billion in grants to act as seed capital for local, state and tribal projects to mitigate climate change
- **Rural Electricity:** \$9.7 billion to help rural electric cooperatives cut carbon and deploy clean energy

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