



E2 - July 2022 Current Status of Major Clean Energy Tax Credits

Internal Revenue Code section and purpose	Current credit as of July 2022 (status quo)
<p>25D Residential Solar, fuel cell, efficient heat pumps, small wind turbine, fuel cells geothermal heat pumps, biomas</p>	<p>Investment Tax Credit (ITC) · Original credit was 30%. In Dec 2020 extended to: · 26% if installed 2020-2022; · 22% if installed in 2023. Credit expires 2024.</p>
<p>48 Commercial Solar and small onshore wind, combined heat and power</p>	<p>Investment Tax Credit (ITC) · Original credit was 30%. In Dec 2020 extended to: · 26% if installed 2020-2022; · 22% if installed in 2023. Expires Jan 1, 2023</p>
<p>45 Commercial Wind</p>	<p>Production Tax Credit (PTC) provides a tax credit of 1¢–2¢ per kilowatt-hour for the first 10 years of electricity generation for utility-scale wind (= 60%statutory rate) Wind is able to choose between PTC or ITC provides a credit for 12%–30% of investment costs at the start of the project and is especially significant for the offshore and distributed wind sectors because such projects are more capital-intensive and benefit from the up-front tax benefits Expired Jan 1, 2022</p>
<p>48(a)(5)(F) Offshore Wind</p>	<p>30% ITC if construction starts by December 31, 2025 expires Jan 1 2026</p>



<p>NEW 45BB Tech-neutral PTC production tax credit for clean electricity produced at a qualified zero emissions facility 45CC -- Tech-neutral clean fuel PTC</p>	<p>None</p>
<p>179 D commercial energy efficiency retrofits</p>	<p>Made permanent in 2020 · \$1.88 per square foot plus adjustments for cost of living increases over time · Requires 50% savings in energy/power compared to reference property</p>
<p>25C Existing Residential Energy Efficiency credit for high efficiency windows, doors and skylights, roofs, insulation, HVAC</p>	<p>Was 10% up to \$500 for energy efficiency except windows which were max \$200 and was non-refundable (could lower your taxes but not pay you if you had no taxes) Expired on Dec 31 2021</p>
<p>45L Energy Efficiency --New Home Construction Residential</p>	<p>15% of expenditures up to a Max \$1200-\$2000 Expired Dec 31, 2021</p>
<p>NEW 48F Stand alone battery storage - credit for qualified investment in an electric-generating facility or any energy</p>	<p>Today only storage that is connected to energy sources like wind/solar is considered for ITC/PTC credit. Expires with those credits.</p>
<p>48C Manufacturing Clean energy tax credit - to build or retool factories to make or recycle clean energy parts</p>	<p>Original credit was 30% in 2009. Expired 2014</p>
<p>45M Manufacturing tax credit for energy efficient appliances -- heatpumps and water heaters</p>	<p>Expired</p>
<p>30D Consumer – Plug in electric vehicle credit for(light duty) Vehicles</p>	<p>· \$2500-\$7500 dollars for 5kwh capacity plus \$417/kwh capacity above baseline 5Kwh up to \$7500. · Only cars sold by companies that have made fewer than 200,000 units are eligible for the credit. (cap) Tesla has reached the cap. Ford and Toyota too: https://evadoption.com/ev-sales/federal-ev-tax-credit-phase-out-tracker-by-automaker/</p>



NEW Vans/Trucks (medium/heavy duty) Zero Emission Vehicle credit	NONE
30 C vehicle charging/refueling infrastructure “Alternative Fuel infrastructure”	nonrefundable investment tax credit for biz and individuals equal to 30 percent of the cost of alternative fuel vehicle refueling property, which includes EV charging stations and hydrogen refueling stations. – expired Dec 2021
48D NEW- Grid Modernization/Reliability - Electric Transmission Property Tax Credit (ITC) --Qualifying electric power transmission property would include overhead, submarine, and underground transmission facilities meeting certain criteria, including a minimum voltage of 275 kilovolts and a minimum transmission capacity of 500 megawatts. Qualifying property would also include any ancillary facilities and equipment necessary for the proper operation of the transmission facility.	NONE
45Q Carbon Capture and Storage	For CO2 sequestered geologically = \$31.77/metric ton increasing to \$50/metric ton up to 2026 then adjusted for inflation If CO2 injected for “enhanced oil recovery (EOJ) or other qualified uses” then \$20.22 in 2020. Increasing to \$35 by 2026, then inflation-adjusted. Expiration: Project must start-of construction by 2026 and then can collect credit for 12-years Expires for projects built after January 1, 2026



Good for the Economy.
Good for the Environment.