

Energy Financial Incentives Available in Massachusetts

There are many benefits to owning renewable energy systems, and financial incentives make it more attractive to do now. Energy efficiency improvements are the most cost-effective way to reduce your energy usage, so implement those first. Here is an outline of financial incentives for renewables and energy efficiency improvements to get you started.

RENEWABLE ENERGY

Small Renewables Initiative (SRI)

A rebate program for small-scale (10 kW or less) solar electric, wind, and hydropower offered by the Massachusetts Technology Collaborative (MTC).

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

Massachusetts State Tax Credits

These corporate and residential tax credits for solar electric (photovoltaics), solar hot water and wind systems reduce the total amount of tax owed. 15% of the solar system cost *after* any grants are subtracted. Residential maximum credit is \$1,000. Unused credit portion may be rolled over. Corporate tax credit maximum \$300 and expires 12/31/07.

For more information: <http://www.dsireusa.org> and click on Massachusetts

Federal Tax Credits

Residential: An individual can take the 30% credit of the solar system cost *after* any grants and state tax credits are subtracted, up to a maximum \$2,000 cap for photovoltaics, and a separate \$2,000 cap for solar water heating. Any excess credit may be rolled over to the following year(s).

Credits are available for systems "placed in service" between 1/1/06 and 12/31/08. If the installation is on a new home, the "placed in service" date is the certificate of occupancy date. Systems that have previously been installed are not eligible.

Business/Corporate: If placed in service between 1/1/06 and 12/31/08, 30% tax credit for solar PV and solar hybrid lighting (no maximum) and fuel cells (\$500 per 0.5 kW max.). 10% for micro-turbines (max \$200 per kW), and 10% for geothermal systems.

For more information: <http://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 and click on 'green power' or Conservation Services Group 508-836-9500 x 3361

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.



ENERGY EFFICIENCY Financial Incentives

Federal Residential Energy Efficiency Tax Credits

10% of cost of qualified efficiency improvements, 100% for qualified energy systems (heating, cooling, water heaters) if installed between 1/1/06 and 12/31/07. \$500 maximum credit for all improvements for all tax years.

For more information: <http://www.dsireusa.org>

Massachusetts Residential Energy Efficiency Tax Credits

30% tax credit for certain energy-efficient items purchased between 11/1/05 and 4/1/06. Maximum credit: \$600 for a single-family dwelling or \$1,000 for a multi-unit dwelling.

State tax form: http://www.dor.state.ma.us/Forms/Corp06/PDFs/Addl/sched_HEEC.pdf

Financial Incentives and Low-Interest Loans on Energy Measures

MassSAVE, sponsored by electric and gas utilities, offers 50% rebates (up to \$1,500) for eligible energy efficiency measures. You may also qualify for a low-interest loan for efficiency measures and solar hot water.

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

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 they need 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.

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