



Federal Energy Resources for Individuals and Homeowners



**JEANNE
SHAHEEN**
U.S. SENATOR FOR NEW HAMPSHIRE

Dear Friend,

Following the passage of the historic Inflation Reduction Act, I wanted to share some resources and updates on a few of the particularly beneficial tax incentives and grant awards available for Granite Staters. Broadly, this legislation will not only reduce our greenhouse gas emissions, but it will reduce energy costs for consumers over the long term. The Inflation Reduction Act is expected to save American households up to \$1,000 per year on their energy bills and put the U.S. on track to reduce emissions by 40 percent in 8 years. I'm so proud to have been part of the Congress that passed this once-in-a-generation legislation, and I'm eager for the benefits of this law to swiftly reach families in New Hampshire and across the nation.

Here are some highlights from the Inflation Reduction Act that I fought for to help New Hampshire:

- **The Energy Efficient Home Improvement Credit (Section 25C):** The Inflation Reduction Act allows consumers to claim a credit for up to 30 percent of the cost of qualified energy efficiency improvements, including up to \$2,000 for biomass stoves and boilers, and expands the credit to cover home energy audits.
- **The Home Owner Managing Energy Savings (HOMES) Rebate Program:** The Inflation Reduction Act provides rebates—discount deducted during purchase—beginning in 2023 for homeowners who retrofit with efficiency upgrades. I have long championed this program and am glad to see its inclusion in the Inflation Reduction Act.

Further, as you may know, the Infrastructure Investment and Jobs Act, which I helped negotiate, has delivered transformative funding to support weatherization and clean energy projects across New Hampshire this year. Moreover, Congress has made historic investments in the Low Income Home Energy Assistance Program (LIHEAP), which provides financial assistance to low-income households struggling to afford their energy bills. As a result of this effort, New Hampshire received more than \$94 million in LIHEAP funding in fiscal years 2021 and 2022, nearly double what the state received in the previous two years.

These are just a few of my efforts to promote investments in clean energy, reduce energy costs for consumers and reduce global emissions. I'm glad to know that New Hampshire will soon feel the tangible impacts of the Inflation Reduction Act – from more jobs to lower energy bills and assistance to make energy efficient updates to their homes and businesses. The far-reaching impacts of this law and other actions from Congress will create economic opportunities for Granite Staters to participate and lead our clean energy future. I'm proud to welcome such transformative investments to New Hampshire.

Sincerely,

A handwritten signature in blue ink that reads "Jeanne Shaker". The signature is fluid and cursive, written in a professional style.

Tax Credits

The Residential Clean Energy Credit (Section 25D): The Inflation Reduction Act expands an existing tax credit allowing consumers to claim a credit for up to 30 percent of the costs of residential energy efficient property, such as the installation of solar. The credit is retroactive to the beginning of 2022.

How much you can save:

- The credit is for up to 30 percent of project costs and can be claimed in the year that the project is finished.

Qualifying Projects: Clean energy projects eligible for the credit include solar electric projects, solar water heating projects, fuel cell projects, small wind energy projects, geothermal heat pump projects, biomass fuel projects, and battery storage (beginning in 2023).

Click [HERE](#) for further details on how you can qualify.

The Energy Efficient Home Improvement Credit (Section 25C): The Inflation Reduction Act allows consumers to claim a credit for up to 30 percent of the cost of qualified energy efficiency improvements and expands the credit to cover home energy audits. The expanded credit is available beginning in 2023.

How much you can save:

- The credit has a total annual cap up to \$1,200 per year, except heat pumps (cap up to \$2,000).
- **Qualifying Improvements:** The credit applies to heat pumps, energy-efficient windows, energy-efficient exterior doors, insulation, and upgrading breaker boxes to accommodate additional electric load. Certain improvements must meet applicable Energy Star requirements. Roofing and air circulating fans will no longer qualify for the credit. The upgrade costs for appliances include both equipment, installation, and labor costs.

The Clean Vehicle Credit (Section 30D and 25E): Consumer tax credit for up to \$7,500 for individuals to buy new clean vehicles (Sec. 30D) and up to \$4,000 to buy used clean vehicles (Sec. 25E).

Because of the complexity, the exact amount a consumer will receive for a particular vehicle is not yet clear.

- Treasury will issue rules clarifying how much of a credit consumers can receive for particular electric vehicles purchased.

How much you can save: The credit is limited to individuals with annual income below:

- New Cars: \$300,000 for joint filers, \$225,000 for head-of-household filers, \$150,000 for single filers;
- Used Cars: \$150,000 for joint filers, \$112,500 for heads of household, and \$75,000 for single filers.

Qualifying Vehicles:

- **New Vehicles:** Individuals with a contract to purchase an electric vehicle signed prior to August 16, 2022 may claim a credit based on the rules that were in effect prior to enactment of the Inflation Reduction Act.
- Starting in 2023, the new vehicle credit is limited to sedans with a manufacturer's suggested retail price (MSRP) of up to \$55,000 and trucks and SUVs with an MSRP of \$80,000 or less.
- **Used Vehicles:** The credit can be used for clean non-commercial vehicles sold for \$25,000 or less and older than two years, including electric vehicles and plug-in hybrids.

EV owners typically save between \$6,000 and \$10,000 in operating and maintenance costs each year compared to gas vehicle owners.

Click [HERE](#) for the list of vehicles that may currently be eligible through December 31, 2022.

Click [HERE](#) for further details on the credit.

Rebates

The High Efficiency Electric Home Rebate (HEEHRA): The Inflation Reduction Act provides \$4.5 billion in direct rebates—discount deducted during purchase—beginning in 2023 for low- and moderate-income consumers who install new, efficient electric appliances.

How much you can save:

- Low-income households are eligible for 100 percent of electrification project costs up to \$14,000.
- Moderate-income household are eligible for 50 percent of costs up to \$14,000.
- The program extends rebates to multifamily buildings in which at least 50 percent of residents are low- or moderate-income.

Qualifying Appliances: The program covers heat pump HVAC systems, heat pump water heaters, electric stoves and cooktops, heat pump clothes dryers, and enabling measures such as upgrading circuit panels, insulation, air sealing, ventilation, and wiring. Project costs cover both purchase and installation costs.

Click [HERE](#) for the area median income lookup tool to see what your income limit is.

The Home Owner Managing Energy Savings (HOMES) Rebate Program: The Inflation Reduction Act provides rebates—discount deducted during purchase—beginning in 2023 for homeowners who retrofit with efficiency upgrades. I fought for the inclusion of the HOMES program in the Inflation Reduction Act and am glad to see it in the final package.

How much you can save:

- Low- and moderate-income homeowners may claim up to \$4,000 of the project cost for energy savings of at least 20 percent or up to \$8,000 for energy savings of at least 35 percent.
- Other homeowners may claim up to \$2,000 per multifamily building with energy savings of at least 20 percent or up to \$4,000 per multifamily building with energy savings of at least 35 percent.
- The program extends rebates to multifamily buildings in which at least 50 percent of residents are low- or moderate-income.

Qualifying Upgrades: The projects eligible for the rebate are based on actual energy performance savings. The rebate includes costs associated with work performed and the equipment needed to install upgrades, such as insulation or HVAC installations.

Consumers can save more than \$1,000 per year by taking advantage of these energy efficiency incentives.

Click [HERE](#) to calculate how much you could save.

Click [HERE](#) to sign up for updates and to find out which programs are available to you.

Other Energy Assistance Programs

Low Income Home Energy Assistance Program (LIHEAP): Provides financial assistance to low-income households struggling to afford their energy bills. New Hampshire received more than \$94 million in LIHEAP allocations through the bipartisan infrastructure package, the American Rescue Plan and Fiscal Years 2021 and 2022 appropriations. Recently enacted legislation to fund the government provides a total of \$1 billion in emergency LIHEAP funding for the upcoming winter, in addition to carrying forward regular funding for the program.

Click [HERE](#) to learn how to apply for LIHEAP.

Weatherization Assistance Program (WAP): Provides funding to enable low-income families to reduce their energy consumption by making their dwellings more energy efficient. Congress provided the highest level of funding for WAP in more than a decade through the Infrastructure Investment and Jobs Act and regular Fiscal Year 2022 appropriations, including a total of more than \$20 million for New Hampshire.

Click [HERE](#) to learn how to apply for weatherization assistance.

Emergency Rental Assistance and Homeowner Assistance Funding: New Hampshire has received over \$350 million in rental assistance and \$50 million in mortgage assistance funds through the American Rescue Plan Act and other Covid relief packages I helped negotiate. These funds help Granite State families not only stay in their homes but can also be used pay for energy costs and other utility bills. To learn more about this assistance, please visit the [New Hampshire Community Action Partnership](#) and [New Hampshire Housing](#) websites.

Utility Provider Assistance: Eversource, Unitil, Liberty Utilities and NH Electric Co-op each have programs available to help consumers with their bill. Please call your utility directly to learn about additional assistance programs available.

For additional resources on energy efficiency projects in New Hampshire, I encourage you to visit [NHSaves](#) to learn more.

Granite Staters struggling to afford utility bills can find resources through their utility provider, [New Hampshire Community Action Partnership](#) or by contacting my Manchester office at 603-647-7500.

This report includes some information compiled by the Democratic Policy and Communications Committee.

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