

Inflation Reduction Act Starts with Big Cost Savings for Solar

With an estimated \$369 billion in tax credits and financing for clean energy strategies, the federal Inflation Reduction Act is the single largest U.S. investment in climate action. For example, beginning in 2023 businesses, non-profits, local governments, and other entities are eligible to receive 30% off the cost of commercial solar installation of 1 MW or less. More programs will follow. This funding makes pursuing clean energy solutions easier and more affordable, and much of the funding will be available for ten years.

The Inflation Reduction Act is the most significant climate legislation in U.S. history. It will lower energy costs for households and businesses, create manufacturing jobs for American workers, and create a healthy future for our children. The resulting savings, jobs, and health benefits will reach communities across Wisconsin.

whitehouse.gov/wp-content/uploads/2022/08/Wisconsin.pdf

US federal government's average annual climate spending (\$ billions)

- Inflation Reduction Act 2022
- Infrastructure Investment and Jobs Act 2021
- CHIPS and Science Act 2022



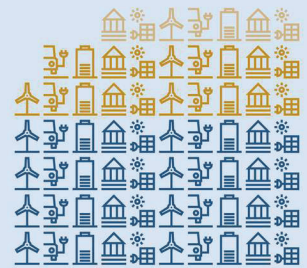
\$4bn
(1990-1999)



\$6bn
(2000-2008)



\$22bn
(2009-2017)



\$66bn
(2020-2029)

Source: RMI, Credit Suisse estimates

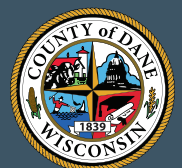
Huge Potential Impact in Wisconsin

The IRA will accelerate climate action in Wisconsin by supplementing the incentives available from Focus on Energy without requiring new legislative action. More, the IRA will help push energy efficiency measures that are often missed due to our state's out-of-date building codes. Therefore, the IRA will encourage energy efficiency and renewable energy projects where we previously lacked tools to motivate action.

The IRA is projected to spur an additional 90,000 Wisconsin households to install rooftop solar systems. Coupled with the strong technical support of Focus on Energy, IRA funding can accelerate clean energy progress across the state, provided we all do our part.



DaneClimateAction.org/what-you-can-do/federal-funding



What Solar Installation Incentives Are Available?

Businesses, nonprofits, local governments, homeowners, and other entities are eligible to receive 30% off the cost of commercial solar installation of 1 MW(ac) or less in the form of tax credits or Direct Pay (for local governments and nonprofits). Additional bonus credits are available for meeting specific criteria, such as domestic content requirements or being located in low-income communities. Additional guidelines apply to installations larger than 1 MW(ac).

Get Guidance Here

The Dane County Office of Energy & Climate Change is committed to helping local businesses, nonprofits, schools, governments and individuals take advantage of the many funding opportunities available through the IRA. This is not formula funding. IRA tax credits are not required to be spread equitably across the nation; credits will flow to the areas where eligible projects occur. Learn more at DaneClimateAction.org/what-you-can-do/federal-funding-for-business.



Local Government Solar Savings

Wisconsin has more than 670 cities, villages and counties that could receive a 30% Direct Pay incentive for installed solar, plus other possible incentives from Focus on Energy.

If every local government did one 20 kW solar array, that would be an estimated \$45M investment in clean energy with the federal government covering \$13.5M. Those renewable systems would reduce energy bills for local governments by more than \$1.5M annually for the next 25 years.

Help Dane County Maximize Energy Efficiency

Help maximize the potential to receive funding in Dane County. We urge municipalities, clean energy installers, climate activists, stewardship groups, and other stakeholders to:

- Install solar on your own facilities to take full advantage of the incentives
- Promote the incentives and encourage eligible projects within your community
- Stay up to date as new incentives and grants are rolled out

Solar Starts Now, with New Incentives and Grants Coming Soon

Tax incentives for home efficiency, electric vehicles, and more are available now, with additional funding opportunities available in late 2023 or early 2024. In addition to tax credits, there will be formula grants for states, tribes, and larger local governments as well as new competitive grant opportunities for various entities.

Sign up for Dane Climate Action Federal Funding alerts to stay informed about the IRA and other federal funding opportunities at DaneClimateAction.org/what-you-can-do/federal-funding.

