



# Summary of Energy Efficient Tax Incentives in Energy Policy Act of 2005

Product	Eligibility Level	Units	Amount of Incentive	Years Covered	Notes
Existing homes and other non-business applications					
Central air conditioners	15 12.5	SEER EER	\$300 for AC if meet SEER & EER	2006 & 2007	\$500 per taxpayer cap for existing home credits
Heat Pumps (air cooled)	15 13 9.0	SEER EER HSPF	\$300 for HP if meet SEER, EER & HSPF	2006 & 2007	
Group-source heat pumps					
Closed loop	14.1/3.3	EER/COP	\$300	2006 & 2007	System must also provide water heating.
Open loop	16.2/3.6	EER/COP	\$300	2006 & 2007	System must also provide water heating.
Direct expansion (DX)	15/3.5	EER/COP	\$300	2006 & 2007	System must also provide water heating.
Water heaters (non-business applications)					
Electric	2.0	EF	\$300	2006 & 2007	
Gas and oil	0.8	EF	\$300		
Gas and oil furnaces and boilers					
High combustion efficiency equipment	95%	AFUE	\$150	2006 & 2007	Can earn either one or both incentive with the same unit.
High electric efficiency equipment	Meets CEE spec		\$50	2006 & 2007	CEE spec requires electricity use to be <=2% of site use.
Envelope improvements to existing homes					
Insulation, exterior doors, duct sealing and infiltration reduction	Meet 2003 IECC + supplements		10% up to \$500	2006 & 2007	Duct sealing and infiltration reduction probably included but final determination depends on detailed rules.
Windows and skylights	Same as above		10% up to \$200	2006 & 2007	
Pigmented metal roofs	Meet Energy Star spec		10% up to \$500	2006 & 2007	
Appliances					
Refrigerators					
Save 15-19.9% relative to federal standard	Look to left		\$75	2006	All appliance incentives go to manufacturer, not consumer; manufacturers are expected to reduce prices accordingly.
Save 20-24.9% relative to federal standard	Look to left		\$125	2006 & 2007	
Save 25% or more relative to federal standard	Look to left		\$175	2006 & 2007	
Clothes washers	2007 Energy Star		\$100	2006 & 2007	DOE has proposed 1.72 MEF and 8.0 WF for Energy Star. Incentive likely to be around \$30.
Dishwashers	2007 Energy Star		TBD -- based on final Energy Star	2006 & 2007	
New homes					
Site-built or manufactured homes	50%	savings	\$2,000	2006 & 2007	Incentives go to the builder, not the homebuyer. Savings relative to 2004 IECC.
Manufactured homes	30%	savings or meets Energy Star	\$1,000	2006 & 2007 2006 & 2007	Savings relative to 2004 IECC.
Commercial buildings					
Whole building	50%	savings	Deduction of \$1.80/sq.ft.	2006 & 2007	Deductions are not additive -- maximum is \$1.80/sq.ft. Savings relative to ASHRAE 90.1-2001.
Lighting, HVAC or envelope	50%	savings	Deduction of \$0.60/sq.ft. per system	2006 & 2007	Savings relative to ASHRAE 90.1-2001.
Lighting savings of at least 25%	25-50%	savings	Sliding scale: \$.30/sq.ft. for 25% svgs	Unclear	Term of this provision depends on Treasury rulemaking.
Fuel cells and microturbines					
Fuel cells (business or individual credit)	30%	efficiency	30% up to \$1000/kW	2006 & 2007	Systems >=0.5 kW for business credit. No size floor or efficiency requirements for individual credit.
Microturbines (only business credit)	26%	efficiency	10% up to \$200/kW	2006 & 2007	Systems < 2000 kW.
Passenger vehicles	Complicated formula -- see <a href="http://aceee.org/press/0508hybridtaxcr.htm">http://aceee.org/press/0508hybridtaxcr.htm</a>				
Heavy-duty vehicles	Complicated formula -- a description of the credit will be put on <a href="http://www.aceee.org">www.aceee.org</a> shortly.				

Key: AC= air conditioner; AFUE= annual fuel utilization efficiency; ASHRAE = American Society of Heating, Refrigerating & Air-Conditioning Engineers; CEE = Consortium for Energy Efficiency  
 COP= coefficient of performance; EER= energy efficiency ratio; EF= energy factor; HP= heat pump; HSPF= heating season performance factor; IECC= International Energy Conservation Code  
 kW= kilowatt; MEF= modified energy factor; SEER= seasonal energy efficiency ratio.