HOME ENERGY EFFICIENCY & CLEAN ENERGY— SAVE MONEY & REDUCE EMISSIONS

A GUIDE FOR HOMEOWNERS

As a Wyoming homeowner, it can be difficult to know where to start with energy efficiency or clean energy projects. **This fact sheet will help you plan ahead and make informed energy efficiency decisions for your home.** Using these currently available programs and incentives, you can be prepared before your heater goes out all while conserving energy and saving money.

Background—In 2022, U.S. Congress passed the <u>Inflation Reduction Act</u> to improve incentives for home energy efficiency and clean energy projects. These incentives come in the form of tax credits, which return your taxpayer dollars back to you and your family and are available until 2032. By incorporating energy efficiency and clean energy into your home, you can lower your monthly utility bills and make it easier to manage volatile energy costs. These projects and technologies are also better for the environment and improve your home's air quality and resale value.

Tax Credits

ENERGY EFFICIENT HOME IMPROVEMENT TAX CREDIT (Tax Code: 25C)

This credit equals 30% of eligible expenses up to a set dollar limit, for a combined yearly maximum of \$3,200. Annual limits are capped at \$2,000 for heat pumps and wood stoves, and \$1,200 for other upgrades.

ELIGIBILITY: Does not apply to new homes. You may apply for this credit annually, up to the full amount. However, you may not carry forward any unused credit to later tax years.

YEARLY CREDIT FOR HEAT PUMPS & STOVES	\$2,000
Air source heat pump (HVAC)	\$2,000
Hot water heat pump*	\$2,000
Efficient wood & pellet stoves	\$2,000
YEARLY CREDIT FOR OTHER UPGRADES	\$1,200
Insulation, air sealing, weatherization	\$1,200
Efficient gas furnaces & hot water	\$600
Energy Star Doors	\$500
Energy Star Windows	\$600
Electrical panel upgrade	\$600
Home energy audit	\$150
ANNUAL MAXIMUM CREDIT	\$3,200

* <u>Heat pump technology</u> has improved greatly and is two to three times more efficient than other forms of heating and cooling. Make sure you ask for a cold climate heat pump, which are designed for use in extreme cold.

HOW THE ENERGY EFFICIENT HOME IMPROVEMENT TAX CREDITS CAN WORK

Example: When your heater dies over the winter, you install an air source heat pump for \$10,000 (parts and labor). You receive a rebate through your local utility company for \$1,700 as well as the maximum Home Energy Efficiency Tax Credit for \$2,000. In total, you save \$3,700 on upfront costs and \$250 per year on heating and cooling.

Example: Your older home is drafty and expensive to heat, so you schedule a home energy audit for \$600. The audit leads you to improve your attic insulation for \$2,200. You receive the Home Energy Efficiency Tax Credit for your audit (\$150 is the maximum) and your insulation (\$660 is 30% of \$2,200). **In total, you save \$810** on up-front costs, plus 15% on heating and cooling.

RESIDENTIAL RENEWABLE ENERGY TAX CREDIT (Tax Code: <u>25D</u>)

This credit equals 30% of the eligible expenses of new renewable energy projects for your home, including solar, wind turbines, geothermal heat pumps, battery storage, solar hot water heaters, and fuel cells.

ELIGIBILITY: There is no dollar limit for this credit. Any unused credit may be applied to subsequent tax years.

HOME CHARGING (ALTERNATIVE FUEL) TAX CREDIT (Tax Code: <u>30C</u>)

This credit covers 30%, up to \$1,000, of eligible expenses to install equipment to charge plug-in electric vehicles in your home.

ELIGIBLITY: You must reside in a rural or low-income community. <u>See this map</u> to check your eligibility.

MAXIMUM CREDITS FOR RESIDENTIAL RENEWABLE ENERGY AND HOME CHARGING	DOLLAR LIMIT	UP TO
Residential solar, battery storage, wind turbines, geothermal heat pumps, solar hot water hydro power, and fuel cells	None	30%
Home plug-in vehicle charging equipment	\$1,000	30%

Additional Considerations

To claim these tax credits, fill out Form 5695 for 25C and 25D, or Form 8911 for 30C, with your tax return. Additional rules and requirements apply, *check with your tax advisor.*

All projects must be installed on primary residence. Eligible costs generally include (but not always) installed parts and labor. See program details for more information.

You can also stack credits with other utility cash incentives or rebates *-

- <u>Rocky Mountain Power</u>: Dual fuel and air source heat pumps (\$2,000), hot water heat pump (\$600), Insulation (\$600), heat pump clothes dryer (\$230), etc.
- <u>High West Energy:</u> Air source heat pumps (\$450), hot water heat pump (\$350), etc.
- Lower Valley Energy: Air source and hot water heat pumps (\$900), free energy audits, etc.

*maximum possible amounts shown

COMING SOON TO WYOMING! Home Energy Efficiency Rebates in 2025

- Up to \$14,000 total in rebates for low-to-moderate income households for highefficiency electric appliances.
- Up to \$8,000 for whole home, performance-based, energy-efficiency projects.
- For more information, see this link or contact the Wyoming Energy Authority.

Other Programs

WEATHERIZATION ASSISTANCE PROGRAM LOW INCOME ENERGY ASSISTANCE PROGRAM

ELIGIBILITY: Low-income families can receive **help with their heating bills** during the winter (an average payment of \$529–\$781 per year as of 2020) as well as **free weatherization services** (insulation, air sealing, health and safety checks, etc.). For more information, <u>see the income guidelines and application.</u>