



Summary of Energy Efficiency Tax Incentives in the 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 (split systems)		15 SEER 12.5 EER	\$300 if meets SEER & EER	2006 & 2007	\$500 per taxpayer cap for existing home credits For list of qualified products, go to the Consortium for Energy Efficiency Product Directory-
Central air conditioners (package systems)		14 SEER 12 EER	\$300 if meets SEER & EER	2006 & 2007	www.ccehvadirectory.org/continue.html Look for "Residential Tier 2" Air Conditioners
Heat Pumps (air cooled)		15 SEER 13 EER 9.0 HSPF	\$300 if meets SEER, EER & HSPF	2006 & 2007	See CEE list (link above) for products that meet 15 SEER and 9 HSPF. There is no way to identify equipment that meets 13 EER without contacting the manufacturer/distributor (or contractor).
Group-source heat pumps					
Closed loop		14.1/3.3	EER/COP \$300	2006 & 2007	All Energy Star labeled Geothermal Heat Pumps qualify for credit 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	See GAMA Web site for list of qualifying products: www.gamanet.org/gama/inforesources.nsf/vContentEntries/Product+Directories?OpenDocument
Gas and oil		0.8 EF	\$300	2006 & 2007	
Gas and oil furnaces and boilers					
High combustion efficiency equipment		95% AFUE	\$150	2006 & 2007	See GAMA Web site (link above) for list of qualifying products. 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 2000/2003 IECC + supplements	10% up to \$500	2006 & 2007	Includes duct sealing and infiltration reduction. All Energy Star windows and doors qualify for credits.
Windows and skylights		Same as above	10% up to \$200	2006 & 2007	Credits cover cost of components only, and do not include costs of onsite prep, assembly or installation.
Pigmented metal roofs		Meet Energy Star spec	10% up to \$500	2006 & 2007	
Appliances					
All appliance incentives go to manufacturer, not consumer; manufacturers are expected to reduce prices accordingly.					
Refrigerators					
Save 15-19.9% relative to federal standard		Look to left	\$75	2006	
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					
		1.72 MEF, 8.0 WF	\$100	2006 & 2007	
Dishwashers					
		2007 Energy Star	\$32.31	2006 & 2007	
New homes					
Incentives go to the builder, not the homebuyer.					
Site-built or manufactured homes		50% savings	\$2,000	2006 - 2008	Savings relative to 2004 IECC.
Manufactured homes		30% savings or meets Energy Star	\$1,000	2006 - 2008 2006 - 2008	Savings relative to 2004 IECC.
Commercial buildings					
Whole building		50% savings	Deduction of \$1.80/sq.ft.	2006 - 2008	Max. is \$0.60/sq.ft. per system or \$1.80/sq.ft. for whole bldg. Savings relative to ASHRAE 90.1-2001.
Lighting, HVAC or envelope		50% savings	Deduction of \$0.60/sq.ft. per system	2006 - 2008	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 - 2008	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 - 2008	Systems < 2000 kW.
Passenger vehicles					
Complicated formula -- see http://aceee.org/press/0508hybridtaxcr.htm					
Heavy-duty vehicles					
Complicated formula -- see www.aceee.org/transportation/hdhybtaxcred.htm for more information					

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; WF= water factor.