

Mobilizing for Community Electrification

City of Bloomington Climate Talk January 10, 2024 **ONE IDEA**

Rewiring America was founded in July 2020 with one simple idea: **Electrify Everything** Fossil fuels waste a lot of energy...

If we electrify everything and power it all with renewables, there would be much less waste



CLIMATE ACTION AT HOME

42% OF OUR ENERGY-RELATED EMISSIONS COME FROM DECISIONS MADE AROUND THE KITCHEN TABLE.

That's how we heat and cool our homes, cook our food, dry our clothes, and get around. And it's a huge opportunity to take meaningful personal action.





Heat pump

3x more efficient than a fossil fuel/electric furnace

Heats AND cools your home!



Heat pump water heater

3x more efficient than a fossil fuel water heater

Still gives you all the warm showers



Induction stove

Responsive, fast, and easy to clean Induction >> electric resistance or gas! Won't pollute your home



Heat pump dryer

3x more efficient than a fossil fuel dryer

No venting needed



Solar PV + Storage

No carbon emissions and can save you thousands of dollars a year

Energy independence



EV + EV Charger

Can save over \$1,000 a year on fuel costs relative to gas vehicles

Require less maintenance

Have no tailpipe emissions



Weatherization

Insulation will ensure that your heat pump HVAC system works efficiently to maintain a comfortable temperature

Reducing energy waste that results in utility bill savings



Wiring + panel upgrades

May need an electrician to pre-wire your home

Most homes can electrify everything in their home on their existing panel



1 billion machines to replace or install by 2050 for a shot at 1.5°C warming

The footrace is climate change versus our pace of progress.

To get every machine to be efficient and electric by 2050, we need to achieve 100 percent sales penetration much sooner. That means inducing market activity above the projected "business as usual" market case.

	Three Year BAU (2024-2026, in thousands)	Three Year Climate Target (2024-2026, in thousands)
Heat Pump HVAC	5,673	10,164
Heat Pump Water Heater	619	1,123
Induction Stove	1,409	4,110
Rooftop Solar	2,689	6,668
Electric Vehicles	2,567	12,252
Total	12,957	34,317

The Inflation Reduction Act has already **jump started the electrification movement** in every community in the nation.

An electric bank account

Thanks to the **Inflation Reduction** Act (IRA), the average household has **\$10,600 in new federal incentives** to electrify, which can ramp to an **\$567 billion cumulative investment** in communities across the U.S



When it comes to financial incentives available for consumers under the Inflation Reduction Act, they fall mainly under one of two categories:



Energy Efficiency Tax Credit (25C)

What:A 30% tax credit for residential efficiency and electrification upgrades,
up to \$3,200 per year.

Who: Anyone with enough federal tax liability, including renters.

When: Now through 2032.

Details: The purchase and installation of heat pumps & heat pump water heaters qualify for up to a \$2,000 tax credit per year.

Clean Energy Credit (25D)

- **What:** A 30% tax credit for the purchase and installation of solar panels, geothermal heat pumps, and battery storage.
- **Who:** Anyone with enough federal tax liability, including renters.
- **When:** Now through 2034 and retroactive to 2022.
- **Details:** The tax credit is uncapped and can be carried forward.

CONSUMER TAX CREDITS

More Information

Details: 25C and 25D have their own form (Form 5695)

To claim your tax credit, you will need to complete the Internal Revenue Service (IRS) Form when you file your taxes for the year your energy efficiency and electrification upgrade occurred

You must use the current version of Form 5695 for the tax year in which you are filing. Updated forms are typically released in January or February before taxes are due in April.

Disclaimer: The information presented here is for educational and informational purposes only. It is not intended to provide specific tax guidance. We suggest that you consult with your tax advisor regarding your individual tax situation.

EV DISCOUNTS

Clean Vehicle Credit (30D)

- **What:** A \$7,500 tax credit for purchasing a new EV.
- Who: Most households. Credits are income-limited and MSRP-limited.
- When: Now through 2032.
- **Details:** Only vehicles that meet critical mineral, battery component, and final assembly requirements qualify. See the list here: <u>https://fueleconomy.gov/feg/tax2023.shtml</u>

Credits will be transferable to dealers starting in 2024, essentially converting into an upfront discount.

EV DISCOUNTS

Credit for Previously Owned Clean Vehicles (25E)

- **What:** A \$4,000 tax credit for purchasing a used EV.
- **Who:** Most households. Credits are income-limited and MSRP-limited.
- When: Now through 2032.
- **Details:** Credits will be transferable to dealers starting in 2024, essentially converting into an upfront discount.

CONSUMER REBATES

Electrification Rebates (aka HEEHRA/HEAR)

- What:Point-of-sale rebates up to \$14,000 for electric appliances including heat pumps,
heat pump water heaters, induction stoves, electrical panel upgrades, and rewiring.
- **Who:** Low- and moderate-income households.
- **When:** State energy offices are finalizing this program now. We expect a roll out in 2024.
- **Details:** 100% of project costs are covered for low income households, 50% for middle-income households.

CONSUMER REBATES

Efficiency Rebates (aka HOMES)

What: Rebates for large-scale projects that verifiably improve a home's energy efficiency.

Who: Everyone! Rebates for low-income households are doubled.

When: State energy offices are finalizing this program now. We expect a roll out in 2024.

Details: Consumers have two ways to claim this rebate, either **modeled** or **measured** energy savings.

The total rebate amount a consumer qualifies for depends on the route & the amount of energy savings the project generates, but can be up to \$8,000.

A USEFUL TOOL

Use our IRA Savings Calculator to see how much money you'll get from the IRA:

https://www.rewiringamerica.org /app/ira-calculator





We will turn our IRA Savings calculator into a customizable electrification planning tool.



DRAFT: CONTENT IS SUBJECT TO CHANGE. REWIRING AMERICA 911 NW 61st St, Seattle, WA Q Here's what we think your home energy profile looks like Space Heating Water Heating Cooking Gas Furnace Gas Water Heater Gas Stove & Oven Washer / Dryer Electricity Source Renewable Energy Gas-fed Natural Gas None This info is incorrect AVAILABLE INCENTIVES ANNUAL SAVINGS BY ELECTRIFYING EMISSIONS REDUCTIONS FOR ELECTRIVING BY ELECTRIFYING \$14,800 -65% C02/yr \$1,800/yr Start your Personal Electrification Plan

This spring, we will launch version 1 of the Personal Electrification Planner (PEP).

The PEP will make **smart assumptions** about your home and your energy use to generate a tailor-made electrification plan.

PEP will present a **clear roadmap** for each user that is personalized to their household priorities and profile.

VTEN	BECT TO CHAN REWRING AMERICA 911 NW 61st St Seattle, WA	TEO'S PRIORITIES
21	Seattle, WA	Costs 1
- IL U	Plan by Teo Smith	Environment 2
	Set to complete in 2028	Family health 3
•	Electric Vehicle Completed in 2022	View project >
6	Why now? It's the most cost-effective option in reducing your carbon footprint. Learn more	Start project
0	Space Heating	~
0	Cooking	~
0	Washer / Dryer	~
	Renewable Energy	~

NIGE.

DRA

The Personal Electrification Planner will identify opportunities for you to stack federal, state, local, and utility **incentives**, help you scope and qualify your **projects**, and match you with qualified **contractors** and experts in your community.





Take action

Electrifying everything takes everyone!



Spread the word Help your friends, family and neighbors

understand how and why to electrify

Be this person.

We need a million electric enthusiasts to socialize this transformation. Be one of them!





Contact local contractors

Let them know you want to go electric!



Contact your local government

Encourage your local officials to adopt policies supporting electrification

JOIN OUR COALITION

Local Government Leaders for Electrification

OVERVIEW

200+ Members

including Mayors, Legislators and Staff

32+ States And growing



Dan Aymar-Blair Councilmember Beacon, NY



Chandra Farley Chief Sustainability Officer Atlanta, GA





Devin Murphy



Melissa Schmitz Resiliency Coordinator Green Bay, WI

Jenny Hernandez

Sustainability

Las Cruces, NM

Specialist



James Walkinshaw Supervisor Fairfax County, VA

Lisa Batey

Milwaukie, OR

Mayor



Lauren Clemens **Climate Action** Manager Whatcom County WA



Adam Khosroabadi Councilmember Milwaukie, OR



Svante Myrick Former Mayor Ithaca, NY

Bill Peduto Former Mayor Pittsburgh, PA

Silvis, IL



Kai Hagen Former Councilmember Frederick County



Steve Patterson Mayor Athens, OH



Christiana Rigby Councilmember Howard County, MD

A group of electrification-minded local government leaders convened by Rewiring America to put communities on the path to electrification and decarbonize at scale.

MD

localgovleadersforelectrification.org





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Appendix



GO ELECTRIC!



Want to learn more about IRA incentives and electric appliances? Download the full version of RA's Go Electric Guide for free!





Check out our IRA calculator to see which incentives your household qualifies for.

