



October Interim Committee Meeting

Water and Natural Resources

Discussion of the Sustainable
Building Tax Credit

10/21/2021



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→ **Introductions**

- New Home Funding Gap
- Existing Homes
- Federal Funding Opportunities
- Q&A

→ **Agenda**

Sustainable Building Tax Credit → (SBTC)



Goal:

Transform the market for new homes by offering incentives to build energy-efficient, comfortable, and healthier homes.

Develop a support network of people and products, green industry, innovative products

STBC Started: 2007

Homes Certified thru August 2021: over 8,000

Current Participation: 800 a year

→ **SBTC New Home Accomplishments**

2015 SBTC

Available for homes completed by April 1, 2023

- As of June 16, 2021:
 - 2023 Allocation - \$654,341 or 100 homes
 - 2024 Allocation - \$3,375,000 or 562 homes
- Funds likely to be used up by March/April 2022

2021 SBTC

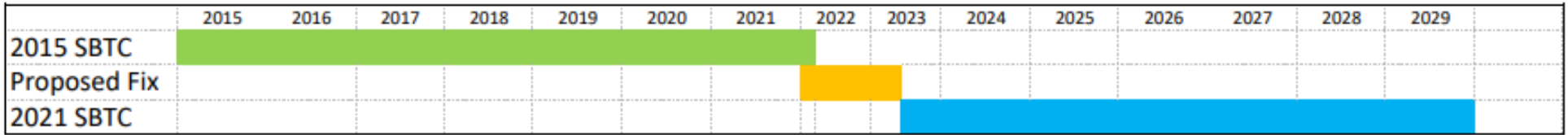
Home completed April 1, 2023 to December 31, 2029

→ **SBTC New Home Program Challenges**

BGNM average 800 certifications a year at \$6,000 per home



We have a funding gap:



Fix:

- Need to amend the law to close the gap

→ SBTC New Home Program Challenges

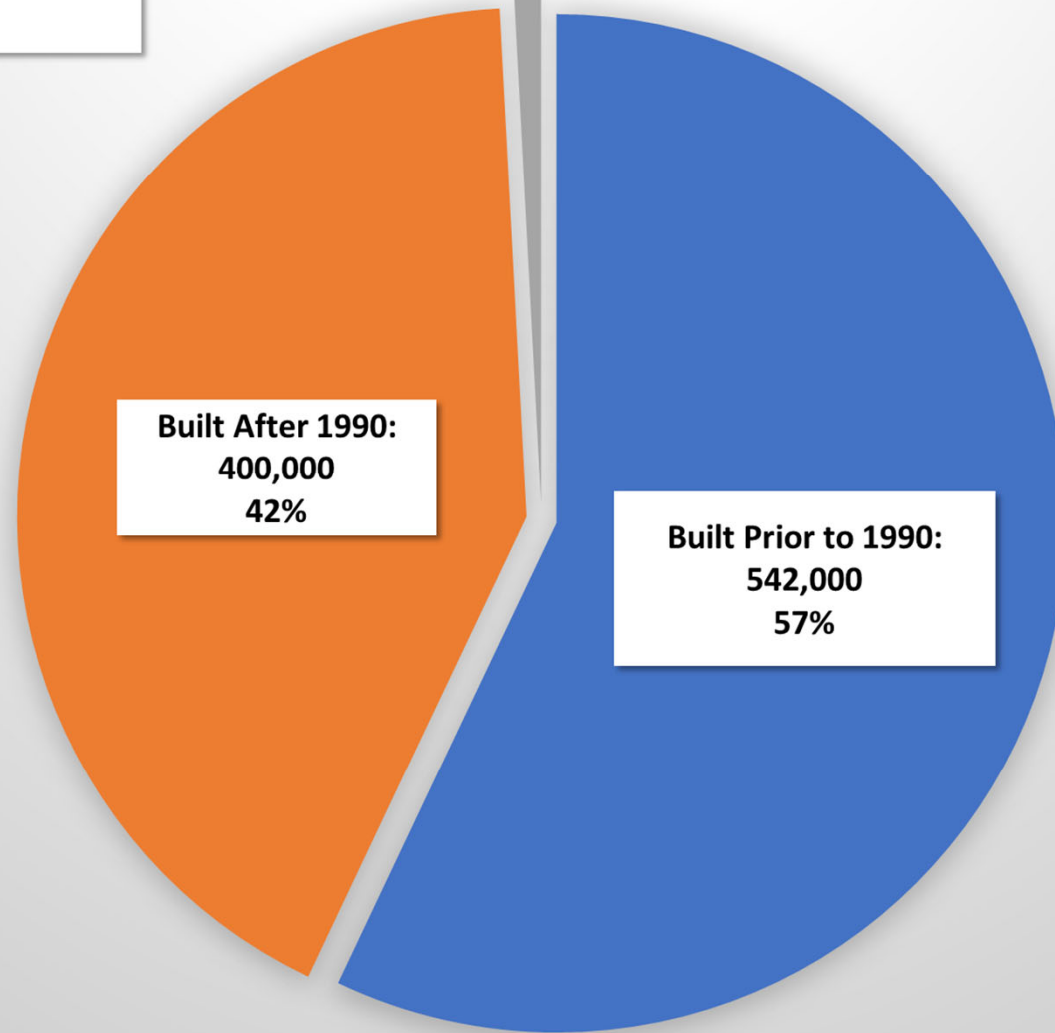
→ Existing Homes



LEED or BGNM Certified Homes:

8,000

1%



Built After 1990:

400,000

42%

Built Prior to 1990:

542,000

57%

Existing Homes

Duct Sealing



Air Sealing



Insulation



- Storm Windows
- Replacing Old Mechanical Systems & Appliances

→ Cost Effective Energy Efficient Measures

1. Do any of you live in a home which was BGNM or LEED certified?
2. Who is thinking of updating systems or making their home more energy efficient?
3. How many of you have had an energy assessment or energy evaluation?

→ **Survey:**

Sustainable Building Tax Credit for Existing Homes

Product	Affordable Housing & Low-Income Homes	Market Housing
ENERGY STAR Air Source Heat Pumps	\$2,000	\$1,000
ENERGY STAR Ground Source Heat Pumps	\$2,000	\$1,000
ENERGY STAR Windows and Doors	100% of product cost up to \$1,000	50% of product cost up to \$500
Insulation that meets Rules of Energy, Minerals and Natural Resources Department	100% of product cost up to \$2,000	50% of product cost up to \$1,000
ENERGY STAR Heat Pump Water Heater	\$700	\$350
Electric Vehicle Ready	\$1,000	\$500

→ 2021 SBTC Existing Homes Tax Credits– \$2.9 Million

Intent: Help homeowners reduce their energy use.

1. Limited
2. Missing Performance Component
3. Cost-effective way to do the most good

→ **SBTC Existing Home Concerns**



→ Federal Funding

Infrastructure Bill

- Historic Funding for Weatherization

Reconciliation Bill

- Hope for Homes



Conclusions:

1. Help close the funding gap!
2. Time to shift focus to existing homes

→ Q & A