

# Minnesota Residential Energy Efficiency & Renewable Energy Incentives

## Energy Efficiency

<b>State Utility Incentives</b>	Incentives for energy efficient appliances, lighting, and equipment for residential, commercial, and industrial customers are available through electric and natural gas utility Conservation Improvement Program funding. Contact your local utility for more information.
<b>Federal Personal Residential Tax Credit</b>	Residential Energy Efficiency Tax Credit of 30% on eligible equipment and building envelope improvements. The Energy Star website offers detailed information on qualifying products. Total tax credit is \$1,500 for eligible efficiency improvements and equipment purchased and put in service between January 1, 2009, and December 31, 2010. Qualifying products: Central air conditioner (SEER 16); Air-source heat pump (SEER16); Water heater-electric (EF 2.0); Water heater-gas, propane, oil (EF 0.82); Furnace-gas, propane (AFUE 95); Boiler, oil furnace (AFUE 90); Biomass stoves (TE 75%); Insulation, duct sealing, air sealing (2009 IECC); Exterior doors, windows, skylights (0.30 U factor & SHGC 0.30); Metal pigmented roofs, asphalt roofs with cooling granules (Energy Star specs); GSHP (Energy Star specs).
<b>Energy Efficient Mortgages</b>	EEMs can be used to pay for energy efficiency measures for new and existing homes. Mortgages include FHA, VA and Conventional loans. <a href="http://www.eere.energy.gov/">www.eere.energy.gov/</a>

## Solar Energy

<b>Federal Personal Residential Tax Credit</b>	Residential Renewable Energy Tax Credit of 30% on the total installed cost of a solar installation. There is no maximum credit for systems placed in service after 2008. There is a \$2,000 limit for systems placed in service before January 1, 2009. Consult your tax advisor for more information. Qualifying products: Solar water heating systems (SRCC certification, half of system water heating from solar); Solar photovoltaic systems (meet fire/electrical codes, provide electricity to residence).
<b>State Sales Tax Exemption</b>	Sales tax exemption on all components of a solar energy system (solar electric and thermal). Buyers complete MN Dept of Revenue Form ST3 "Certificate of Exemption" and sellers keep the form in their files for tax reference.
<b>Property Tax</b>	Exemption for photovoltaic systems.
<b>State Net Metering</b>	Solar electric systems less than 40kW in size are eligible for net metering, which permits utilities to pay prevailing retail rates for electricity generated through a renewable, grid-connected system.
<b>Solar Mortgages</b>	Energy efficient mortgages can be used to pay for solar electric and heating technologies. Mortgages include FHA, VA and Conventional loans.
<b>State Rebate Program</b>	This program is fully reserved. A waiting list has been established. Email: <a href="mailto:energy.info@state.mn.us">energy.info@state.mn.us</a>

## Wind Energy

<b>Federal Personal Residential Tax Credit</b>	Residential Renewable Energy Tax Credit of 30% on the total installed cost of a wind turbine installation <100kW. There is no maximum credit for systems placed in service after 2008. Consult your tax advisor for more information.
<b>State Sales Tax Exemption</b>	Minnesota state sales tax exemption for wind power. Buyers complete MN Dept of Revenue Form ST3 "Certificate of Exemption" and sellers keep the form in their files for tax reference.
<b>Property Tax</b>	Exemption for wind systems.
<b>State Net Metering</b>	Wind energy systems less than 40 kW in size are eligible for net metering, which permits utilities to pay prevailing retail rates for electricity generated through a renewable, grid-connected system.

## Vehicles

<b>Alternative Fuel Vehicles</b>	Qualifying alternative fuel vehicles (AFVs) purchased or placed into service between January 1, 2005 and December 31, 2010 may be eligible for a federal income tax credit of up to \$4,000.
<b>Hybrid-Electric, Lean-Burn Diesel, Fuel Cell Vehicle Tax Credit</b>	For hybrid and diesel vehicles made by each manufacturer, credits for a given manufacturer's vehicles will be phased out over a fifteen-month period after that manufacturer has sold 60,000 eligible vehicles. In model year 2009, certain light-duty diesel vehicles qualify for tax credits as lean-burn vehicles. Emissions control technologies now allow diesels to meet NOx and particulate matter emissions requirements for the credit.
<b>Plug-in Electric Vehicle Tax Credit</b>	Available for a new plug-in electric drive vehicle having a battery capacity of at least 4 kilowatt hours, which brings a credit of \$2,500. Each kilowatt hour of battery above this adds \$417 to the credit, up to a maximum of \$7,500 for vehicles up to 14,000 lbs gross vehicle weight. The amount of the credits begins a phase-out after a manufacturer exceeds a vehicle sales limit, in this case 200,000 vehicles. A separate credit is available for low speed and 2- and 3-wheel plug-in electric vehicles, in the amount of 10 percent of vehicle price, up to \$2,500. Also, a credit for plug-in conversion kits, allowing the conversion of hybrid-electrics to plug-in hybrids, in the amount of 10 percent of the cost of the kit.

### For more information:

Database of State Incentives for Renewables and Efficiency: [www.dsireusa.org](http://www.dsireusa.org)

Tax Incentives Assistance Project: [www.energytaxincentives.org](http://www.energytaxincentives.org)

Internal Revenue Service: [www.irs.gov](http://www.irs.gov)

Energy Star: [www.energystar.gov](http://www.energystar.gov)

USDOE Energy Efficiency and Renewable Energy: [www.eere.energy.gov](http://www.eere.energy.gov)

