

Local, State and Federal Financial Incentives for Going Green

This page is meant to list the local, state and federally offered financial rebates and tax incentives for different elements and levels of sustainable implementation. This is simply a compiled list of researched information and as the following list of financial incentives can change, the reader should verify the accuracy and currentness of the each.

Local Financial Incentives:

San Diego County- Green Building Program*

The County of San Diego has a Green Building Incentive Program designed to promote the use of resource efficient construction materials, water conservation and energy efficiency in new and remodeled residential and commercial buildings. As part of the program, the County will waive the fee for the building permit and plan check for a photovoltaic system. In addition, for qualifying resource conservation measures, the County will reduce building permit and plan check fees by 7.5% and grant expedited plan checks, saving approximately 7 - 10 days on the project timeline. To qualify for these conservation incentives, the project must comply with the program requirements for either natural resources conservation, water conservation, or energy conservation.*

Contact:

County of San Diego
Department of Planning and Land Use
5201 Ruffin Road, Suite B
San Diego, CA 92123-1666
Phone: (858) 565-5920
Web site: <http://www.co.san-diego.ca.us/>

SDG&E - Residential Energy Efficiency Rebate Programs*

Residential users of San Diego Gas and Electric are eligible for point-of-sale rebates on energy efficient dishwashers, home insulation, water heaters and pool motors and controllers. Participating retailers provide instant rebates on eligible products; a list of retailers can be found at the program website.



In addition, SDGE offers a rebate application for energy efficient appliances that are not purchased at one of the participating point-of-sale rebate providers. Items that qualify for the instant rebate will not be eligible for the rebate application program. The rebate application and eligible appliances are available off the program website.

Finally, owners and property managers of multi-family residential buildings can apply for rebates for energy efficient appliances, gas heating technologies, and lighting. Rebates will be given on a first-come, first-serve basis until funding is depleted. Property managers and owners should reserve funding prior to purchasing the appliance; following, the applicant will have 45 days to purchase and install the product. A list of the currently eligible appliances and an application is available off the program website.

Contact:

San Diego Gas & Electric
Residential Programs

P.O. Box 129016

San Diego, CA 92112

Phone: (800) 644-6133

Web site: <http://www.sdge.com>

SDG&E - Residential New Construction Energy Efficiency Incentive Program ADVANCED HOME PROGRAM

The Performance-Based approach provides incentives for building homes that exceed the California Building Energy Efficiency Standards (Title 24) by at least 15 percent. These homes can also qualify for the ENERGY STAR® for homes label, which is widely recognized for energy efficiency.

- California Energy Star® New Homes Program - Open to all single and multifamily new construction of three stories or less.
- High Rise Multifamily Program – Open to multifamily new construction four stories or more
- High Performing New Homes Program – Open to all single and multifamily new construction of three stories or less.

Two Levels of Participation

Tier 1 – Exceed Title 24 compliance by 15% for single or multifamily new construction

Tier 2 – Exceed Title 24 compliance by 35% and 40% in cooling budget for single or multifamily new construction



Program Details: Program Participation Handbook (Adobe PDF, 186 KB)
Advanced Home Case Study Program

Through this program, Southern California Gas Company seeks to create a comprehensive case study portfolio of projects structured around three principles: energy, resources and the environment. The program helps builders, architects and designers with a broad base of support, including design assistance, outside expertise, financial incentives, education, resources and recognition. The portfolio will specifically focus on

- Sustainable land use planning
- Environmentally sensitive design
- Green building practices

These case studies will highlight the underutilized potential of sustainability in new construction and bring innovative approaches to the marketplace.

New Solar Homes Partnership

The Partnership supports the application of photovoltaic technology in residential new construction projects. The SDG&E Advanced Home Program will also provide qualifying projects with energy efficiency incentives for both single family and multifamily new construction. In addition, builders will qualify for incremental incentives from the California Energy Commission's New Solar Homes Partnership.

Contact Us

San Diego Gas & Electric

Advanced Home Program

8335 Century Park Court, CP11E

San Diego, CA 92123

http://sdgeprod.sempa.com/construction/ee_residential_newconst.shtml

Phone: 858.636.5740

Fax: 858.654.6364

Email: NewConstructionServices@SempraUtilities.com

This program is funded by California utility customers and administered by San Diego Gas & Electric under the auspices of the California Public Utilities Commission. Funds are limited and available on a first come first served basis.

SoCalGas - Multi-Family Residential Rebate Program

Southern California Gas Company provides incentives to encourage the owners and managers of multi-family residential buildings to increase their energy efficiency.



Rebates are available for certain appliances located within apartment dwelling units, and other equipment located in the common areas of apartment and condominium complexes, and common areas of mobile home parks. Equipment must meet the efficiency standards provided on the website. Rebates are available on a first-come, first-served basis from January 1, 2006 until December 31, 2008 or until funds are depleted.

Contact:

Kathy Van Cott
Southern California Gas Company
Multi-Family Rebate Program GT28A4
555 W. Fifth Street
Los Angeles, CA 90013-1046
Phone: (714) 634-3052
Phone 2: (213) 244-5256
Web site: www.socalgas.com

SoCalGas - Residential Energy Efficiency Rebate Programs

The Southern California Gas Company (SoCalGas) offers incentives for their residential customers to improve the energy efficiency of their homes. Prescriptive rebates are available for qualifying dishwashers, clothes washers, water heaters, wall and ceiling insulation and pipe insulation. The appliances rebates can be redeemed at the point of sale through participating retailers. For other rebates, customers must mail in forms and wait for a check to be sent through the mail. Eligible equipment must meet the specifications listed by SCGC. This current set of rebates will run through the end of 2007; however, contact SCGC prior to purchasing an eligible improvement to ensure that there is adequate funding.

Contact:

Southern California Gas Company
Residential Programs
P.O. Box 3150
San Dimas, CA 91773
Phone: (888) 431-2226
Web site: <http://www.socalgas.com>

SoCalGas - Residential New Construction Energy Efficiency Incentive Program ADVANCED HOME PROGRAM

The Performance-Based approach provides incentives for building homes that exceed the California Building Energy Efficiency Standards (Title 24) by at least 15 percent. These



homes can also qualify for the ENERGY STAR® for homes label, which is widely recognized for energy efficiency.

- California Energy Star® New Homes Program - Open to all single and multifamily new construction of three stories or less.
- High Rise Multifamily Program – Open to multifamily new construction four stories or more
- High Performing New Homes Program – Open to all single and multifamily new construction of three stories or less.

Two Levels of Participation

Tier 1 – Exceed Title 24 compliance by 15% for single or multifamily new construction

Tier 2 – Exceed Title 24 compliance by 35% and 40% in cooling budget for single or multifamily new construction

Program Details: Program Participation Handbook (Adobe PDF, 186 KB)

Advanced Home Case Study Program

Through this program, Southern California Gas Company seeks to create a comprehensive case study portfolio of projects structured around three principles: energy, resources and the environment. The program helps builders, architects and designers with a broad base of support, including design assistance, outside expertise, financial incentives, education, resources and recognition. The portfolio will specifically focus on

- Sustainable land use planning
- Environmentally sensitive design
- Green building practices

These case studies will highlight the underutilized potential of sustainability in new construction and bring innovative approaches to the marketplace.

Contact Us

Southern California Gas Company

Advanced Home Program

555 West Fifth Street

GT09G3

Los Angeles, CA 90013

<http://www.socalgas.com/construction/ahp/>

Phone: 213.244.3162

Fax: 213.244.8091

Email: NewConstructionServices@SempraUtilities.com



This program is funded by California utility customers and administered by The Gas Company under the auspices of the California Public Utilities Commission. Funds are limited and available on a first come first served basis.

State Financial Incentives:

CEC - New Solar Homes Partnership*

Expected Performance Based Incentive (EPBI) amount starting in 2007 is \$2.50/watt. The base incentive applies to custom homes, small developments (less than 6 homes), housing developments where solar is offered as an option, common areas of housing developments, and all residential applications where solar will be installed on less than 50% of homes in a housing development.

Contact:

Public Information Officer
California Energy Commission
New Solar Homes Partnership
1516 Ninth Street, MS-45
Sacramento, CA 95814-5512
Phone: (800) 555-7794

E-Mail: renewable@energy.state.ca.us

Web site: <http://www.gosolarcalifornia.ca.gov/nshp/index.html>

California Solar Initiative - Pilot Solar Water Heating Program*

This program, launched in July 2007, is administered by the California Center for Sustainable Energy (formerly the San Diego Regional Energy Office) and is available to only retrofit systems for existing residential, commercial, agricultural, and industrial electricity customers of San Diego Gas & Electric.

For residential and small commercial systems, the maximum incentive is \$1,500 and is based on estimated system performance according to the SRCC OG300 system ratings, solar orientation factors, and other inputs.

Contact:

Annie Henderson
Center for Sustainable Energy
8690 Balboa Ave, Suite 100
San Diego, CA 92123



Phone: (877) 333-SWHP
Fax: (858) 244-1178
E-Mail: annie.henderson@energycenter.org
Web site: <http://www.energycenter.org/>

Emerging Renewables Program*

The California Energy Commission offers cash incentives to promote the installation of grid-connected small wind and fuel cell renewable energy electric-generating systems through its Emerging Renewables Program. To qualify for an incentive, the participant must be a customer of one of the utilities contributing funds to support the program -- Pacific Gas & Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, or Southern California Water Company (doing business as Bear Valley Electric Service).

Effective January 1, 2007, funding levels for the Emerging Renewables Program are:
Small Wind Turbines (up to 50 kW): \$2.50/W for first 7.5 kW and \$1.50/W for increments > 7.5 kW and < 30 kW

Fuel cells (<30 kW) using renewable fuels: \$3.00/W for systems less than 30 kW
Rebates for eligible renewable energy systems installed on affordable housing projects are available at 25% above the standard rebate level up to 75% of the system's installed cost.

Rebates for eligible renewable energy systems installed on affordable housing projects are available at 25% above the standard rebate level up to 75% of the system's installed cost.

Incentives received from sources other than this program, such as other utility incentive programs, a State of California sponsored incentive program, or a federal government sponsored incentive program, other than tax credits, will reduce the amount of the Emerging Renewables Program rebate by no less than 5% to prevent total incentives from exceeding total system costs.

The renewable energy system must generate electricity to offset the consumer's on-site electrical load, but the expected production may not be more than the historical or expected electrical needs of the consumer.

Funding for the installation of solar photovoltaic systems on new residential construction is available under the Energy Commission's New Solar Homes Partnership program. Funding for the installation and operation of solar photovoltaic systems on existing



residential and new and existing non-residential buildings is available under the California Public Utilities Commission's California Solar Initiative. Information on these two programs can be found at www.gosolarcalifornia.ca.gov.

Contact: Energy Call Center
California Energy Commission
Emerging Renewables Program
1516 9th Street MS-45
Sacramento, CA 95814-5512
Phone: (800) 555-7794
Fax: (916) 654-4420
E-Mail: renewable@energy.state.ca.us
Web site: <http://www.consumerenergycenter.org/>

Self-Generation Incentive Program*

Initiated in 2001, the Self-Generation Incentive Program (SGIP) offers incentives to customers who produce electricity with microturbines, gas turbines, wind turbines, fuel cells and internal combustion engines. The incentive payments range from \$1/W - \$4.50/W for renewable energy systems depending on the type of system. Retail electric and gas customers of San Diego Gas & Electric (SDG&E), Pacific Gas & Electric (PG&E), Southern California Edison (SCE) or Southern California Gas (SoCal Gas) are eligible for SGIP.

Beginning January 1, 2007, the SGIP no longer provides rebates for solar photovoltaic (PV) installations. The incentive program for installing PV systems on non-residential buildings and existing homes is administered by the California Public Utilities Commission as part of the California Solar Initiative (CSI). Funding for integrating solar in new home construction is administered by the California Energy Commission. Click [here](#) for more information about CSI incentives.

The following technologies and corresponding incentive amounts apply to the SGIP, effective January 1, 2007:

Technologies using renewable fuels:

Wind turbines (minimum of 30 kW) - \$1.50/W

Fuel cells (minimum of 30 kW) - \$4.50/W

Microturbines and Small Gas Turbines - \$1.30/W

IC Engines and Large Gas Turbines - \$1.00/W



Technologies using non-renewable fuels:
Fuel cells - \$2.50/W

Microturbines and Small Gas Turbines - \$0.80/W

IC Engines and Large Gas Turbines - \$0.60/W

The maximum eligible system size is 5 MW, although the incentive payment remains capped at 1 MW. Projects receiving incentives based on future performance of the system are not eligible to receive a SGIP rebate.

For projects that receive other incentives funded by California investor-owned utility ratepayers, the SGIP incentive is discounted by the amount of the other incentive. For projects that receive other incentives funded by non-IOU (e.g., municipal utility) rate payers, the SGIP incentive is discounted by 50% of the other incentive.

PG&E, SCE, and SoCal Gas administer the SGIP program in their service territories, and the San Diego Regional Energy Office administers the program in SDG&E's territory. Customers of PG&E, SDG&E, SCE and SoCal Gas should contact their program administrator for an application, program handbook and additional eligibility information.

Program Administrator Contact Information:

San Diego Regional Energy Office (administrator for San Diego Gas & Electric, or SDG&E)

Web: www.sdenergy.org/ContentPage.asp?ContentID=35&SectionID=24

Contact: Nathalie Osborn, Program Manager

Phone: (858) 244-1193

Phone 1-866-SDENERGY

Fax: (858) 244-1178

Email: selfgen@sdenergy.org

Address: San Diego Regional Energy Office

Attn: SELFGEN Program Manager

8520 Tech Way Suite 110

San Diego, CA 92123

Contact:

Valerie Beck

California Public Utilities Commission

Energy Division

State Building

350 McAllister Street

San Francisco, CA 94102



Phone: (415) 703-2125
E-Mail: vjb@cpuc.ca.gov
Web site: <http://www.cpuc.ca.gov>

Federal Financial Incentives:

Federal Tax Credit for Home Improvements**

http://www.energystar.gov/index.cfm?c=products.pr_tax_credits

The only tax credits for homeowners building their own homes are for photovoltaics, solar water heating, and fuel cells ("residential energy efficiency property" in Section 25D). To qualify for the fuel cell credit, the new home you are building must be planned as your principal residence. The credit for photovoltaic and solar water heating property does not have to be for your principal residence; so, rental units, second homes, etc... are all eligible. See the Instructions attached to 2007 IRS Form 5695 to help you further with this provision.

The tax credit for new windows, doors, insulation, roofs, HVAC and non-solar water heating ("eligible building envelope components" and "qualified energy property" (Section 25C)) are ONLY available for existing homes.

There is a \$2,000 tax credit for building a new energy efficient home, but it is ONLY available to "eligible contractors"; therefore, owner/builders may not receive the builder tax credit unless employed as eligible contractors. Home builders who qualify as eligible contractors are eligible for the \$2,000 tax credit for a new energy efficient home that achieves 50% energy savings for heating and cooling over the 2004 International Energy Conservation Code (IECC) and supplements. At least 1/5 of the energy savings must come from building envelope improvements. There is also a \$1,000 tax credit to the builder of a new manufactured home achieving 30% energy savings for heating and cooling over the 2004 IECC and supplements (at least 1/3 of the savings must come from building envelope improvements), or a manufactured home meeting the requirements established by EPA under the ENERGY STAR program.

Residential Energy Conservation Subsidy Exclusion (Personal) **

According to Section 136 of the IRS Code, energy conservation subsidies provided by public utilities, either directly or indirectly, are nontaxable: "Gross income shall not include the value of any subsidy provided (directly or indirectly) by a public utility to a customer for the purchase or installation of any energy conservation measure."



Energy conservation measure includes installations or modifications that are primarily designed to reduce consumption of electricity or natural gas, or improve the management of energy demand.

Dwelling unit includes a house, apartment, condominium, mobile home, boat, or similar property. If a building or structure contains both dwelling and other units, any subsidy must be properly allocated.

Given the definition of "energy conservation measure" there is strong evidence that utility rebates for residential solar thermal and solar electric projects may be nontaxable. However, the IRS has not ruled definitively on this issue. For taxpayers considering using this provision for renewable energy systems, consultation with a tax attorney is advised.

Other types of utility subsidies that may come in the form of credits or reduced rates may also be nontaxable:

"Utility rebates. If you are a customer of an electric utility company and you participate in the utility's energy conservation program, you may receive on your monthly electric bill either: a reduction in the purchase price of electricity furnished to you (rate reduction), or a nonrefundable credit against the purchase price of the electricity. The amount of the rate reduction or nonrefundable credit is not included in your income." (IRS Publication 525)

Contact:
Public Information - IRS
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, DC 20224
Phone: (800) 829-1040
Web site: <http://www.irs.gov>

Residential Energy Efficiency Tax Credit (For Existing Buildings) **

Now available: IRS Form 5695 & Instructions: Residential Energy Credits for Tax Year 2006

The Energy Policy Act of 2005 established tax credits for energy efficiency improvements in the building envelope of existing homes and for the purchase of high-efficiency heating, cooling, and water heating equipment. Efficiency improvements and/or equipment must be placed in service from January 1, 2006 through December 31, 2007 and must serve a dwelling in the United States owned and used by the tax payer as a



primary residence. The maximum amount of homeowner credit for all improvements combined is \$500 during the two-year period of the tax credit.

Building Envelope Improvements

Owners of existing homes can receive tax credits of up to 10% of the cost of upgrading the efficiency of the building's envelope. Components eligible for the credit include: insulation materials and systems designed to reduce a home's heat loss or gain;

exterior doors and windows (including skylights); and

pigmented metal roofs designed to reduce heat gain.

Credits for windows are not to exceed \$200, and the total amount of credits for building envelope measures and other qualified energy property outlined below must not exceed \$500.

Improvements should be expected to remain in use for at least 5 years. Roofs with pigmented coatings must meet Energy Star requirements, and all other improvements must meet 2000 International Energy Conservation Code criteria, including supplements. Manufactured homes conforming to Federal Manufactured Home Construction and Safety Standards also qualify.

Heating, Cooling, and Water Heating Equipment

Purchasers of qualified energy efficient property are eligible for tax credits up to the total expenditures on such property. The credit can also be applied to labor costs for assembly and original installation of this property. Eligible property and maximum credit amounts are as follows:

electric heat pump water heaters [\$300];

electric heat pumps [\$300];

geothermal heat pumps [\$300];

central air conditioners [\$300];

natural gas, propane, or oil water heaters [\$300];

natural gas, propane, or oil furnace or hot water boilers [\$150]; and

advanced main air circulating fans [\$50].



Performance and quality standards for tax credit eligibility vary by technology. See 26 USC § 25C above for details. In addition, the Internal Revenue Service (IRS) has provided the following interim guidance, pending the issuance of regulations, relating to the credit: IRS Notice 2006-26

For more detailed information on qualifying products, visit the Energy Star Web site.

Contact:

Public Information - IRS

Internal Revenue Service

1111 Constitution Avenue, N.W.

Washington, DC 20224

Phone: (800) 829-1040

Web site: <http://www.irs.gov>

*The vast majority of information presented in this section was taken directly from DSIRE - Database of State Incentives for Renewables & Efficiency.

** The vast majority of information presented in this section was taken directly from Energy Star website.

