



Memo

To: Jurisdictions with Energy Efficiency and Resiliency Needs

From: Shay Coburn, Region 10 Grant Navigator contractor

Date: 12.15.23

Re: Funding Opportunities for Energy Efficiency and Resiliency

Colleagues:

In August I shared information about direct/elective pay in a memo. Below is additional information along with resources. Reach out with any questions any time. Also, **please keep us updated if you are pursuing any federal monies.**

Elective Pay or Direct Pay: like tax credits, but for local governments and nonprofits

1. It appears that the most applicable projects in our region would be for EV fleet transition, EV charging placement, and solar projects (rooftop solar on municipal buildings, community solar, and solar farms). A technical list of credits and deductions (qualifying projects) can be found [here](#).
2. You could get up to 70% of your qualifying project costs paid for! The base tax credits amount is generally 6% with more information available [here](#). Bonus credits are available for:
 - a. [prevailing wage and apprenticeship](#) (if standards are met, base becomes 30%)
 - b. [domestic content](#) (10% and phases down for facilities beginning construction in 2024 or later)
 - c. [energy communities](#) (up to 10%)
 - d. [low-income communities](#) (10-20%, requires pre-application)
3. Credits are based on the total project cost (not just the local government's out-of-pocket costs) so this can be stacked with other funding options like grants and loans.
4. There is no cap on the credits you can claim, as long as the criteria are met and process followed.
5. Resources:
 - a. Quick [IRS overview document](#) and another short [overview document](#)
 - b. [A Roadmap for Maximizing Inflation Reduction Act Opportunities and Community Benefits](#), by the World Resources Institute for the Local Infrastructure Hub - this is long but the best summary I have seen.
 - c. [Lawyers for Good Government website](#), check out the L4GG's Direct Pay Overview Webinar slides.
6. **Deadlines vary for bonus credits, submittal of tax return depends on when the project is put into service.**
7. **Grants and Grub on January 31st at noon will focus on this topic with speakers from the World Resources Institute and the Colorado Energy Office.**

Feel free to contact me with any questions or for a quick overview if you might be interested.

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