

Minnesota Residential Energy Incentives, Rebates, Programs

Energy Efficiency

State Utility Incentives	Incentives for energy efficient appliances, lighting, and equipment for residential, commercial, and industrial customers are available through electric and natural gas utility CIP (Conservation Improvement Program) funding. Contact your local utility, or check the Database for Renewables and Efficiency (www.dsireusa.org) for more information.
Federal Personal Residential Tax Credit	Residential Energy Efficiency Tax Credit of 30% on eligible equipment and building envelope improvements. 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). The ENERGY STAR website (www.energystar.gov) offers detailed information on qualifying products. Consult your tax advisor or the IRS (www.irs.gov) for more information.
Project ReEnergize	Rebates for specific energy efficiency measures (air-sealing, insulation, windows, orphaned water heaters). Maximum rebate of \$4,750 per household. Work must be done by a qualified Project ReEnergize contractor. Details at www.projectreenergize.org
ENERGY STAR Appliance Rebate Program	Rebates (available through Minnesota retailers) for specific ENERGY STAR labeled appliances: refrigerators (\$200); clothes washers (\$200); dishwashers (\$150); freezers (\$100). Refrigerator rebates will require recycling of old refrigerator. Program is scheduled to begin in March, 2010.
Energy Saver Rebate Program	Rebates for specific energy-related improvements as part of the Minnesota Housing Finance Agency's Fix-Up Fund program. Rebates for 35% of eligible improvements, up to \$10,000, as part of a home improvement loan from MHFA. Eligible improvements include qualifying furnace, AC, windows, attic air sealing, attic & wall insulation, and orphaned water heaters Scheduled to begin in December, 2009. Go to www.mnhousing.gov for more information.
Energy Efficient Mortgages	EEMs can be used to pay for energy efficiency measures for new and existing homes. Mortgages include FHA, VA and Conventional loans. For more information: www.eere.energy.gov
Rural Energy Loan & Grant Program	Guaranteed loans up to 75% of the project cost with a maximum of \$25 million. Grants can be up to 25% of total eligible project costs with a maximum of \$250,000 for energy efficiency improvements. Details at www.rurdev.usda.gov
Energy Assistance Program	Federally funded through U.S. Department of Human Services, the Energy Assistance Program (EAP) helps pay home heating costs. Households with the lowest incomes and highest energy costs receive the greatest benefit. Households (renters or homeowners) who are at or below 50 percent of the state median income are eligible. Size of grant is based on household size, income, fuel type and energy usage. Applications available from local Energy Assistance Providers or at www.energy.mn.gov
Weatherization Assistance Program	Federally funded through the U.S. Department of Energy and the Department of Health and Human Services, the Weatherization Assistance Program (WAP) uses energy conservation techniques to reduce the cost of home energy by providing improvements to buildings or equipment. Households (renters or homeowners) who are at or below 50 percent of the state median income are eligible. Applications available from local Energy Assistance Providers or at www.energy.mn.gov

Solar Energy

Federal Personal Residential Tax Credit	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 on or after 1/1/09. 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). Consult your tax advisor or the IRS (www.irs.gov) for more information.
Rural Energy Loan & Grant Program	Guaranteed loans up to 75% of the project cost with a maximum of \$25 million. Grants can be up to 25% of total eligible project costs with a maximum of \$500,000 for renewable energy systems. To apply, contact your local rural development office. Details at www.rurdev.usda.gov
State Sales Tax Exemption	Sales tax exemption on all components of a solar energy system (solar electric, air heat and thermal) purchased on or after August 1, 2005. Buyers complete MN Dept of Revenue Form ST3 "Certificate of Exemption" and sellers keep the form in their files for tax reference. For more info: www.taxes.state.mn.us
Property Tax	Exemption from real property of photovoltaic (PV) systems. The land where a PV system is located remains taxable. For more info: www.taxes.state.mn.us

State Net Metering	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. Details from your electric utility provider.
Solar Mortgages	Energy efficient mortgages can be used to pay for solar electric and heating technologies. Mortgages include FHA, VA and Conventional loans. For more information: www.eere.energy.gov
State Solar Rebate Program	This program has limited funds. Contact us to check the current status. If presently fully reserved, your name can be put on a waiting list. For more information: www.energy.mn.gov or Email: energy.info@state.mn.us

Wind Energy

Federal Personal Residential Tax Credit	Residential Renewable Energy Tax Credit of 30% on the total installed cost of a wind turbine installation less than 100kW. There is no maximum credit for systems placed in service on or after January 1, 2009. Consult your tax advisor or the IRS (www.irs.gov) for more information.
Rural Energy Loan & Grant Program	Guaranteed loans up to 75% of the project cost with a maximum of \$25 million. Grants can be up to 25% of total eligible project costs with a maximum of \$500,000 for renewable energy systems. To apply, contact your local rural development office. Details at www.rurdev.usda.gov
State Sales Tax Exemption	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. For more info: www.taxes.state.mn.us
Property Tax	Exemption from all real and personal property of wind systems. The land where a wind system is located remains taxable. For more info: www.taxes.state.mn.us
State Net Metering	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. Details from your electric utility provider.

Vehicles

Alternative Fuel Vehicles	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. Consult your tax advisor or the IRS (www.irs.gov) for more information.
Hybrid Gasoline-Electric, Lean-Burn Diesel, Battery-Electric, Fuel Cell Vehicle Tax Credit	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. Toyota and Honda vehicles have already been phased out. The credit remains for Ford, GM and Nissan 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. Consult your tax advisor or the IRS (www.irs.gov) for more information.
Plug-in Electric Vehicle Tax Credit	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 250,000 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 % of the cost of the kit. Consult your tax advisor or the IRS (www.irs.gov) for more information.

For more information:

Office of Energy Security, Minnesota Department of Commerce: www.energy.mn.gov

Database of State Incentives for Renewables and Efficiency: www.dsireusa.org

US Department of Energy, Energy Efficiency and Renewable Energy: www.eere.energy.gov

US Department of Agriculture, Rural Development: www.rurdev.usda.gov

Internal Revenue Service: www.irs.gov

Minnesota Department of Revenue: www.taxes.state.mn.us

Project ReEnergyize: www.projectreenergize.org

Minnesota Housing Finance Agency: www.mnhousing.gov

ENERGY STAR: www.energystar.gov

National Renewable Energy Laboratory: www.nrel.gov

