

What we know about the Energy Conservation Tax Credits for 2006 (as of 1/31/06)

Congress this past year passed the first comprehensive energy legislation over a decade. Some of its provisions pertain to energy efficiency in your home.

The following are significant provisions that our customers may wish to consider:

	<i>Item</i>	<i>Max. value of tax credit</i>
1	Upgrade thermostats, caulk leaks, and/or stop energy waste. This should apply to sealing of ductwork to reduce losses from leaks.	\$500
2	Purchase of a highly efficient central air conditioner or water heater. We have been advised that A/C condensers must have an EER of at least 12.5, and a SEER of at least 15. Water heaters must have an AFUE of at least 95%	\$300
3	Installation of a highly efficient furnace or boiler. These units must have an AFUE of at least 95%	\$150

What qualifies?

The Bryant 355 furnaces
Rinnai water heaters

There is no doubt much more equipment that qualifies, but we have not yet been able to get confirmation from manufacturers or distributors.

See next page for the complete chart.

ENERGY POLICY ACT OF 2005
DRAFT SUMMARY OF TAX CREDITS FOR HOMEOWNERS¹
(US Treasury has not yet provided final interpretation for IRS use)

Product Category	Product Type	Tax Credit Specification	Tax Credit	ENERGY STAR Specification
Windows	Exterior Windows	Meet 2000 IECC & Amendments	10% of cost not to exceed \$200 total	Climate dependant – 4 Zones
	Skylights	Meet 2000 IECC & Amendments	10% of cost not to exceed \$200	Climate dependant – 4 Zones
	Exterior Doors	Meet 2000 IECC & Amendments	10% of cost not to exceed \$500	Climate dependant – 4 Zones
Roofing	Metal Roofs	ENERGY STAR qualified	10% of cost not to exceed \$500	Minimum Solar Reflectance
Insulation	Insulation	Meet 2000 IECC & Amendments	10% of cost not to exceed \$500	Meets FTCs “home insulation” definition
HVAC	Central A/C	EER 12.5/SEER 15 Split Systems EER 12/SEER 14 Package systems	\$300	EER 11.5/SEER 14 Split systems EER 11/SEER 14 Package systems
	Air Source Heat Pumps	HSPF 9 EER 13 SEER 15	\$300	HSPF 8.2 EER 11.5 SEER 14 Split HSPF 8 EER 11 SEER 14 Package
	Geo-Thermal Heat Pump	Same criteria as ENERGY STAR: EER 14.1 COP 3.3 Closed Loop EER 16.2 COP 3.6 Open Loop EER 15 COP 3.5 Direct Expansion	\$300	EER 14.1 COP 3.3 Closed Loop EER 16.2 COP 3.6 Open Loop EER 15 COP 3.5 Direct Expansion
	Gas, Oil, Propane Water Heater	Energy Factor 0.80	\$300	N/A
	Electric Heat Pump Water Heater	Energy Factor 2.0	\$300	N/A
	Gas, Oil, Propane Furnace or Hot Water Boiler	AFUE 95	\$150	AFUE 90 for furnaces AFUE 85 for boilers
	Advanced Main	No more than 2% of furnace total energy	\$50	N/A

	Air Circulating Fan	use		
Cars	Cars	hybrid gasoline-electric, diesel, battery-electric, alternative fuel, and fuel cell vehicles	Based on a formula determined by vehicle weight, technology, and fuel economy compared to base year models	
Solar Energy Systems	Solar Water Heating	The system must use solar power to provide at least half of a home's hot water. The credit is not available for expenses for swimming pools or hot tubs. The water must be used in the dwelling and the system must be certified by the Solar Rating and Certification Corporation (SRCC).	30 % of cost, up to \$2,000	
	Photovoltaic Systems	Photovoltaic systems must provide electricity for the residence, and must meet applicable fire and electrical code requirement.	30 % of cost, up to \$2,000	
Fuel Cells	Fuel Cells	Efficiency of at least 30% and must have a capacity of at least 0.5 kW.	30% of the cost, up to \$1000 per kW of power that can be produced	