



A Word to the Wise

Your Guide to Home Energy Upgrades with the Inflation Reduction Act

Congratulations, you've made the decision to upgrade your home and prioritize clean and efficient energy! Now, what do you do? You may know little about solar energy, solar-plus-storage, heat pumps, insulation, or other kinds of energy or energy efficiency improvements for your home. How do you choose a contractor and make wise decisions along the way? To be as prepared as possible, you should become informed about products, designs, building practices, and contracting businesses. Educate yourself about the many incentives (tax credits, rebates, deductions, etc.) that might be available to you, whether that is from your electric utility, locality, state, or the federal government.

Review the tips below to help you avoid some of the painful mistakes made by those who have gone before you. Read about the financial incentives offered to you under the Inflation Reduction Act (IRA) which can help reduce the cost of purchasing and installing your chosen upgrades.

Best Practices for Choosing a Contractor

Follow the steps below to make an informed decision when searching for possible contractors:

- List the goals that you have for your chosen project, and if you have multiple projects, make sure to prioritize them in order of importance.
 - What are you hoping to fix and/or accomplish?
 - What is your budget?
 - Do you have a preferred project completion date, if so what/when is it?
- Ask around for contractor referrals from your friends, family, coworkers, and neighbors.
- Look up contractors by going online to find businesses in your area – be aware of customer reviews and check their website.
 - Use reputable, trusted sources to vet your contractor options.

Organizations that vet contractors include:

- **Better Business Bureau (BBB)**
 - Tracks complaints about previous work done, and allows you to review other businesses.
- **Angi** (formerly Angie's List)
- **Thumbtack**
- **Energy Sage**
 - Pre-screens contractors, so you can review the experiences of other users.
- Membership in general business associations like the **Chamber of Commerce**, or industry specific organizations like the **NC Sustainable Energy Association** (for solar projects) or the **Plumbing-Heating-Cooling Contractors Association North Carolina**
 - Membership indicates that a company is serious about its local community and participates in strengthening the local energy ecosystem.
 - Many of these groups also have their members agree to a code of conduct that helps to protect customers.



☐ Are they an accredited contractor?

Use the numbers and websites listed [here](#) to contact the North Carolina Board of Examiners (for electrical contractors and plumbing/HVAC contractors) and the North Carolina Licensing Board for General Contractors about a contractor's certification.

- > If living outside of North Carolina, check your state for similar information.

The North American Board of Certified Energy Practitioners (NABCEP) also certifies organizations and professionals in the renewable energy industry. The NABCEP provides certification and credentials to those in the solar PV industry, among others. For a directory of certified professionals in your area, [click here](#).

- ☐ Do they use subcontractors? If so, what are their credentials?
- ☐ How long have they been a professional contractor?
- ☐ Does the company resonate with you, and are you comfortable with them completing your home improvement project?

☐ Ask for customer references.

Ask past customers what their experience was in terms of service performance and timeline/budget of the project installation. If you can, look at some of their previous projects.

If there are any, look at previous consumer complaints.

- > Websites like [Angi](#) or [EnergySage](#) can be useful, but ask for references that you can directly reach out to and potentially speak with personally.

Ask for written and itemized quotes, and compare costs with other contractors.

- > Remember, many contractors use high pressure sales tactics, so do not let anyone move you to sign a contract without comparing quotes.
- > Collect at least 3 quotes and compare.

Check if the contractor has a long-standing history of doing business.

- > Are they going to be around in the next 15+ years to help you with any warranty or system/technology issues?

Before Signing a Contract

Once you find a contractor, a written contract is a must for your protection. Some guidelines to consider include:

- Read and study the written contract to get a clear understanding of its contents before signing it. Make sure the pricing is transparent, and that fees and terms are clearly listed.
- Keep a copy of the contract for your own records. Be mindful of the different clauses, including an arbitration or dispute clause.
- Ask for a signed written proposal from your contractor before project installation starts, so that you have a list of project specifications to which the contractor is held.
- Check and ask if the technology being installed has a specific warranty. Warranties are very important in ensuring that your home/system will be repaired if something should malfunction during the period of the warranty.
- Check your Homeowners Association's (HOA) rules for potential solar panel, battery storage, or solar-plus-storage restrictions.
North Carolina's solar access law prohibits an HOA from explicitly banning solar panels, but does allow for placement restrictions. However, adding any restrictions would require a vote by homeowners.
- Check for any possible financial incentives that your contractor can offer you and are responsible for administering, and ask if they know of any.
- Consider the cost along with other factors, such as including specifications with the brand names and size of the materials. Look over your contractor's method of payment, how much it is and how they want to collect it. Do not pay a large fee in advance, as that may be a sign that the contractor is in a bad financial state.
- Be aware of the type of insurance that you need and verify the contractor's insurance

policy.

- Be aware if your contractor has a contract bond, which is a guarantee that the terms of a contract are fulfilled, and what the bond includes.
- Learn what the different types of contracts are and what they mean.
- Don't be pressured into signing a contract—take your time to consider what responsibilities and liabilities you will assume if you sign.
- Only sign a contract if all blanks have been filled in completely, and it has been signed by the other party.

If you are purchasing a solar system, battery storage system, or both through a solar-plus-storage system, here are some important questions to ask your contractor/installer(s):

- Who is qualified in my area to design, build, or install a solar and/or battery storage system? Are they a local or national business/developer?

Local businesses/developers have a relatively closer presence to local communities, markets, and policies.

National businesses/developers have relatively more projects associated with different markets and policies due to operations in different states and multiple locales.

Be aware of the differences between national and local businesses/developers when comparing quotes and references.

- Do they have full time local installers? Who will actually be doing the work (i.e. preparing the design or installing the solar and/or battery storage system)? What subcontractors will be used, and how long have they been working with the contractor/installer? Do they have a track record of over-promising and under-delivering based on references and ratings?
- How much will the solar and/or battery storage features cost me? What will be the expected energy cost savings? What assumptions about inflation in energy prices are incorporated into these estimates? Are

those assumptions in line with past realities on cost escalation? What is the solar production estimate (kilowatt-hour (kWh)) of the solar system? What is the battery storage capacity (kWh) of the energy storage system?

Be aware of overpricing and talk to multiple solar installers for multiple quotes to make sure that the proposed pricing and details are in line with the local market in North Carolina – or whichever state you live in.

- ❑ What information do I use to determine which solar and/or battery storage features are best for me?
- ❑ How do I determine whether my present or future home is a good candidate to use solar and/or battery storage? Has a roofer or solar professional assessed if your rooftop is a practical location for solar? Is there sufficient room to accommodate the collectors and storage for an active solar and/or battery storage system?
- ❑ What modifications need to be done to my house to use this system?
- ❑ How long will the system last? How long do most solar and/or battery storage systems last?

- ❑ Who is responsible for obtaining and paying for any necessary local permits?
- ❑ Will the solar and/or battery storage features be covered by my home insurance policy?
- ❑ Are there any tasks that I must perform to make the solar and/or battery storage features operate properly? Who is responsible for maintaining the system? What are my responsibilities? Are parts easily available? Is the contractor/company going to be around in the next 15+ years to help provide assistance?
- ❑ Will the system operate without interfering with the operation, replacement, and maintenance of existing equipment? Will the performance of the house or system be monitored? What equipment or techniques will be used for the monitoring?
- ❑ Will the solar and/or battery storage system comply with any utility requirements in my service territory? Will it comply with the state's building code requirements?

In North Carolina, residential solar systems must be 20 kW or less.



During and After Project Installation

- What modifications need to be done to my house to use this system?
- Check to be sure the materials are exactly as you ordered or specified. Do not accept them otherwise.
- When the installation of a solar or solar-plus-storage system is complete, have the installer test the system for malfunctions.
- With regard to solar systems, HVAC, and other equipment, have the installer review the system so that you understand its operation and what, if anything, is required by you for its operation and maintenance.
- Ask for instructions on how to correct problems. This way, you can make sure you understand how the equipment or system is supposed to operate.
- Be aware of any construction changes and completion deadline delays.

What should you do if you hire a BAD contractor?

Going through the process of hiring a contractor can be a stressful and risky task. Sometimes your contractor does not do the job you paid for, and you are left with damages and bad quality. Below you will find a number of steps to take if this happens to you:

- Talk to your contractor. Address any of your concerns regarding the quality of the job/project and give your feedback to fix any problems or damages.

Be sure to make copies of all signed paperwork related to the project.

Take pictures of bad quality work and damages.

Take notes on the discussion and any

concerns that you have with your contractor. Make sure to write down any specific statements that you feel are important.

- If there was a breach in any agreement by your contractor, communicate with them a set deadline to fix the problem.

Make it clear that they will be fired if they fail to fix the problem.

Be sure to keep your communication as specific as possible and to choose your words wisely, as they may be used in a court of law.

Document any communication received and sent to your contractor.

Firing a contractor will not necessarily mean that you will receive a refund for payments already made.

Remember that firing of a contractor could be challenged in a court of law, so be sure to detail and document in your communication the breach of contract.

- If communicating with your contractor does not fix the problem, file a claim or complaint. This depends on whether your contractor has a bond policy in place and if they are licensed.

If there is a bond policy, get a copy of it and file a bond claim.

- > If approved, you will be paid for your losses through a reimbursement.

If there is no bond policy, but they are licensed, you can file a complaint with your state's licensing board.

- > To submit a complaint against a **general contractor** (regarding basic electrical work, building construction activity, etc.) you can go to: <https://nclbgc.org/complaints/>
- > To submit a complaint against an **electrical contractor** (for more complex electrical work that may require permitting), you can go to: <https://arls-public.ncbeec.org/Complaint/New>
- > The board will verify the problem, and will go through the complaint process.
- > The contractor may have their license revoked if problems aren't resolved, which could produce a refund.

- If a licensing board does not take up your complaint or if you have hired an unlicensed contractor, and your contract has an arbitration or dispute clause, you can request an arbitration or mediation.

Whether you choose to go through an arbitration or mediation depends on the dispute and your contractor.

The Better Business Bureau offers services for [dispute resolution](#), including mediation.

- If your contract does not have an arbitration or dispute clause, you can go to small claims court.

Go to your local municipal building to fill out paperwork regarding your dispute and to go through the claims process.

- > You can also go to your municipality's website for other options.

The maximum amount you can claim will vary depending on which state you live in.

- > In [North Carolina](#), the small claims court handles disputes involving less than \$10,000 in cash/property.

- If you are claiming a more significant amount, you will have to hire a lawyer.

Overall, the tips and guidelines listed above are intended to help you become a better educated consumer. Such preparation will help you obtain quality products and services at a fair price, while also preparing you for the maintenance and operating requirements that will be necessary to ensure your home and equipment run efficiently. A happy homeowner or renter is one whose living space operates smoothly and efficiently. This is an achievable goal if you are willing to prepare yourself for the process that lies ahead. Don't let unfamiliar terms and equipment scare you. Take your time and do your research.

Note: If you would like to file a complaint about any business or product, contact the Consumer Protection Section of the North Carolina Attorney General's Office at [1-877-5-NO-SCAM](tel:1-877-5-NO-SCAM) or go to their [website for more information](#). To find all other state consumer protection offices, [click here](#). Consult a legal expert/professional about any questions you may have and what steps you should take regarding damages/disputes/claims.

Incentives

While going through the process of finding a contractor, it is important to keep in mind the financial incentives available to you in order to decrease costs. The Inflation Reduction Act (IRA) gives residential customers multiple opportunities to lessen the cost of energy and energy efficiency upgrades, from tax credits to rebates; as well as a tax deduction for owners of multifamily buildings over three stories. You can even layer different incentives from your electric utility, municipality, state, or the federal government – unless stated otherwise. Additionally, if you are a renter make sure to talk to your landlord/building owner about any projects and/or upgrades you want to make (i.e. solar panels, storage, insulation, etc.); check your rental contract, and look over the incentives' eligibility requirements to determine if you or the owner are responsible for receiving the credit, rebate, and/or deduction.

Tax Credits

The IRA offers tax credits for qualified upgrades and purchases, from solar panels and battery storage to heat pumps and insulation. A [tax credit](#) is used to deduct the total amount of taxes that you have to pay for an individual tax year. Available for you, these updated and new credits (i.e. battery storage, electric panel/circuit upgrades, etc.) give you more cost-cutting assistance. You can claim a tax credit every year for newly purchased technology/equipment. However, there are certain limits. For example, a number of heating/cooling and energy efficiency upgrades are capped together at \$1,200 annually. In addition, technology/equipment in the heating/cooling and additional energy efficiency categories are eligible for credits if purchased and installed in 2023 through 2032 – unless stated otherwise. Renters can take advantage of the credits, however, check your renter's contract and confirm with your landlord or building owner before making an upgrade or starting a project. The credits cover the cost of the technology/system, and may include any applicable labor/installation costs. Depending on where you live, certain projects might be limited due to a lack of available contractors/markets.



Below, you will find federal tax credits for the **2023 to 2032** tax years:

Clean Energy Technology/Equipment ¹	Credit Amount
Battery Storage (3 kWh or Greater)	30% of cost
Fuel Cells	30% of cost; up to \$500/half-kW of capacity
Geothermal Heat Pumps	30% of cost
Small Wind Turbine	30% of cost
Solar (Electricity)	30% of cost
Solar (Water Heating)	30% of cost

¹ Tax credits for clean energy are expected to decrease to 26%, 22%, and then 0% for the 2033, 2034, and 2035 tax years, respectively; **projects are eligible for a credit based on the year they are placed in service**; unused credit amounts can be carried forward into next year if tax bill is lower than credit.

Heating/Cooling Technology/ Equipment & Upgrades	Credit Amount
Heat Pumps	30% of cost; up to \$2,000 annually
Heat Pump Water Heater	30% of cost; up to \$2,000 annually
Biomass Stove/Boiler	30% of cost; up to \$2,000 annually
Energy Efficient Air Conditioners ²	30% of cost; up to \$600
Energy Efficient Heating Equipment ²	30% of cost; up to \$600
Energy Efficient Water Heating Equipment ²	30% of cost; up to \$600

²Subject to a \$1,200 total annual cap, does not impact EV charging station incentive

Additional Energy Efficiency Technology/Equipment & Upgrades ²	Credit Amount
Electric Panel/Circuit Upgrades & New Electric Equipment ³	30% of cost; up to \$600
Exterior Doors ⁴	30% of cost; up to \$250/door and up to a max of \$500 total
Home Energy Audit ⁵	30% of cost; up to \$150
Insulation ⁴	30% of cost
Windows (Includes Skylights ⁴)	30% of cost; up to \$600
EV Charging Station ⁶	30% of cost; up to \$1,000/unit

² *Subject to a \$1,200 total annual cap, does not impact EV charging station incentive*

³ *Only applicable if upgrading in conjunction with another credited upgrade (i.e. heat pumps, solar, etc.)*

⁴ *Not eligible for renters*

⁵ *Must be conducted by a [qualified home energy auditor](#) if administered after 2023*

⁶ *EV charging credit is only for those living in low-income or non-urban communities*

You can find more information from the U.S. Department of Energy on how to apply for a credit and where to find eligible products, [click here](#). For more information on the EV charging station credit and how to apply for it, [click here](#).

Rebates

Besides tax credits, there are also home energy rebates for upgrades and projects supported by the IRA through the Home Efficiency Rebates (HER) and Home Electrification and Appliance Rebates (HEAR) programs. A rebate is a sum of money that is credited to you after a purchase transaction. Rebates from these programs are treated as a reduction in the purchase price or property costs for eligible upgrades or projects and must not be reported as income. HER program rebates are allowed for projects that have been completed starting August 16, 2022; while HEAR program rebates are not retroactive, meaning you will only receive an incentive for qualified projects initiated after authorization for program launch has been given.

These programs are administered through State Energy Offices (SEO), U.S. territories, and Indian Tribes (HEAR only) and are currently available in several states, with more to be announced. State program eligibility may vary from the federal guidance presented below.

If you are a renter, talk to your building owner (or landlord), as they are also eligible for these rebates. You cannot apply rebates from both programs or other federal rebate programs to the same upgrade or project, but you can couple a rebate with state, local, and utility incentives, among others.

Exceptions for combining other state, local, and utility incentives with the home energy rebates may apply.

When combining the “Heating/Cooling Technology/ Equipment & Upgrades” and the “Additional Energy Efficiency Technology/ Equipment & Upgrades” tax credits (laid out above), the credit applies to the remaining cost

of the project after the rebate has been applied. For example, if an eligible product is purchased for \$500, the consumer receives a \$100 rebate. The consumer may then claim the 30% credit for the remaining \$400, which would be \$120. Total rebate funding cannot exceed the total project cost, even when combined with other funding and incentive sources. States will track upgrades conducted under each program to verify the proper usage of incentives. Income identification procedures are operated under both programs to verify eligibility for higher rebate values.

A list of qualified contractors must be made available for both programs.

In North Carolina, the SEO announced in early 2025 the launch of the state's rebates through the [Energy Saver NC](#) program. Check out the [Database of State Incentives for Renewables & Efficiency \(DSIRE\)](#) to find out more about other state rebate programs that have been launched. Rebates will be available until funding for the programs is exhausted or until September 30, 2031, whichever happens sooner.

Home Efficiency Rebates (HER) Program

The HER program offers rebates for eligible homeowners, multifamily building owners, and aggregators (those that engage with multiple single-family and/or multifamily households to streamline and combine projects). The rebates depend on the energy savings of a whole-home retrofit and the household income relative to your county's area median income (AMI). Owners of renter-occupied buildings (single-family and multifamily buildings) may also apply for the rebate.

Programs may vary as states and U.S. territories have the choice of one or both of the following options to estimate energy savings related to an upgrade or project:

- Modeled Savings Option – involves estimating energy savings before an upgrade or project is completed
- Measured Savings Option – involves estimating energy savings after an upgrade or project is completed

States can increase the maximum amount available for low-income households if approved by the U.S. Department of Energy, up to 100% of the project costs. A single address cannot go through both savings options and cannot apply for a rebate for an upgrade already given. No rebates under the measured savings option will be given to households receiving a rebate through the HEAR program, except for rebates for electric wiring and breaker boxes/ electric load service centers. Energy savings under both options will be verified through procedures laid out by the state at the time of the program's launch. Households will receive a post-installation project certificate created by a qualified third party to confirm quality monitoring and accurately evaluate the associated energy efficiency upgrades.

If you use the measured savings option, you will receive your rebate within 60 days of submitting an invoice to your state, while those who use the modeled savings option will receive a rebate within four weeks of receipt of an eligible rebate application.

Contractors and aggregators are given a \$200 incentive for each household located in a disadvantaged community after completing and verifying the installation of an associated energy savings project to encourage the delivery of rebates to such communities.



Modeled Savings Option⁷

Single Family		
Modeled Energy Savings	Income Level	Rebate Amount
Savings of 20% to 34%	Less than 80% AMI	Lesser of \$4,000 or 80% of project cost
	80% AMI or greater	Lesser of \$2,000 or 50% of project cost
Savings of 35% and greater	Less than 80% AMI	Lesser of \$8,000 or 80% of project cost
	80% AMI or greater	Lesser of \$4,000 or 50% of project cost
Multifamily		
Modeled Energy Savings	Income Level (based on if at least 50% of households have the specified income)	Rebate Amount
Savings of 20% to 34%	Less than 80% AMI	Lesser of \$4,000/unit or 80% of project cost
	80% AMI or greater	Lesser of \$2,000/unit, up to \$200,000/building
Savings of 35% and greater	Less than 80% AMI	Lesser of \$8,000/unit or 80% of project cost
	80% AMI to 150% AMI	Lesser of \$4,000/unit, up to \$400,000/building

⁷ States may increase the maximum amount available for low-income households, up to 100% of the project costs if approved by the U.S. Department of Energy. Eligible income levels and rebate amounts are according to federal guidance and may vary by state program.

Measured Savings Option⁸

Single Family		
Measured Energy Savings	Income Level	Rebate Amount
Savings of 15% or greater	Less than 80% AMI	\$4,000 for a 20% reduction of energy use for the average home in the state, or 80% of project cost
	80% AMI or greater	\$2,000 for a 20% reduction of energy use for the average home in the state, or 50% of project cost
Multifamily		
Measured Energy Savings	Income Level (based on if at least 50% of households have the specified income)	Rebate Amount
Savings of 15% or greater	Less than 80% AMI	\$4,000 for a 20% reduction of energy use per unit for the average multifamily building in the state, or 80% of project cost
	80% AMI or greater	\$2,000 for a 20% reduction of energy use per unit for the average multifamily building in the state, or 50% of project cost

⁸ *The measured savings must be at least 15%, but the rebate will be calculated based on a 20% reduction of average home energy use at a kWh or kWh equivalent payment rate. States may increase the maximum amount available for low-income households (less than 80% AMI), up to 100% of the project costs, if approved by the U.S. Department of Energy. Eligible income levels and rebate amounts are according to federal guidance and may vary by state program.*

Use the [online tool](#) from the U.S. Department of Housing and Urban Development or Fannie Mae's [AMI Lookup Tool](#) to access individual income-limit areas and find out whether your income qualifies for a higher rebate.

Home Electrification and Appliance Rebates (HEAR) Program

The HEAR program was created to help low-to-moderate income families be able to purchase and install energy-efficient appliances and improvements. Single-family and multifamily households, and eligible representatives of such households (i.e. governmental, commercial, or nonprofit entities that carry out a project on behalf of single-family and multifamily households) are eligible to take advantage of this incentive through the purchase of technology/equipment such as heat pumps, electric cooking appliances, wiring upgrades, electrical panels, insulation, and air sealing, among others. Owners of renter-occupied buildings (single-family and multifamily buildings) may apply for the rebate as well.

The rebate is a point-of-sale incentive, meaning you receive the rebate once you purchase the technology/equipment. The rebate is available for new construction and existing homes, and you are not allowed to receive a rebate for an upgrade that has already been given a rebate through the HER program's modeled savings option. No rebates will be given to households that are in the process of receiving a rebate through the HER program's measured savings option, except for rebates for electric wiring and breaker boxes/electric load service centers.

If you are low-income (less than 80% AMI) you are eligible for up to 100% cost coverage, and if you are moderate-income (80% to 150% AMI) you are eligible for up to 50% cost coverage. For multifamily buildings in which 50% of residents are low-to-moderate income, the building owner or a governmental, commercial, or nonprofit entity can claim rebates on behalf of the building tenants. If at least 50% of residents have a low-income (less than 80% AMI), the claimed rebate can cover up to 100% of the project cost; if at

least 50% of residents have a moderate-income (80% to 150% AMI), the claimed rebate can cover up to 50% of the project cost.

An individual household in a multifamily building or the building owner can claim the rebate. A governmental, commercial, or nonprofit entity can also claim rebates on behalf of multiple building units. Rebates can be used to fund central systems or upgrades for common areas if the rebates are claimed by the building owner or by multiple households via a governmental, commercial, or nonprofit entity only if the system or upgrades benefit the individual units in addition to the common area. If a rebate is claimed by a governmental, commercial, or nonprofit entity on behalf of multiple households, the max rebate limit for each household can be combined. For example, 10 eligible households claiming a rebate through these entities can combine the \$8,000 max rebate for installing an individual heat pump into \$80,000 for installing a central heat pump system that provides air conditioning for the individual units and common areas.

Governmental, commercial, and nonprofit entities are given up to \$500 per household or multifamily building in additional incentives within a 12-month period for performing an installation of eligible upgrades or projects. These entities are also given \$200 for an installation completed in households located in disadvantaged communities. Combined, these additional incentives cannot exceed the \$500 per household limit.

Use the [online tool](#) from the U.S. Department of Housing and Urban Development or Fannie Mae's [AMI Lookup Tool](#) to access individual income limits areas and find out whether your income qualifies for this rebate. On the next page, you will find a list of the max rebate amounts that your state may offer, to help you with project planning.



Technology/Equipment ⁸	Rebate Amount
Air Sealing	Up to \$1,600
Breaker Box/Electric Load Service Center	Up to \$4,000
Electric Stove/Cooktop	Up to \$840
Electric Wiring	Up to \$2,500
Heat Pump for Space Heating or Cooling	Up to \$8,000
Heat Pump Clothes Dryer	Up to \$840
Heat Pump Water Heater	Up to \$1,750
Insulation	Up to \$1,600
Ventilation	Up to \$1,600

⁸ **Total rebates cannot exceed \$14,000 per household. A household may only apply for a rebate for one of the following, not all: electric stove, cooktop, range, or oven. You are eligible to receive a rebate for a qualified product only once.**

For more information on product-specific rebates, visit the [ENERGY STAR Rebate Finder](#).

If rebates from either program are requested by renters, it is required that the building owner or authorized agent for the efficiency project give written permission before starting any installation for the following technology/equipment: heat pumps for space heating or cooling, heat pump water heaters, insulation, mechanical ventilation, electric wiring, and breaker boxes/electric load service centers. Technology/equipment must remain with the associated rental unit.

For low-income rental units, if the owner does not comply with the following rules for at least two years after receiving a receipt for the rebate, the rebate must be refunded:

- The owner must agree to rent the specific unit to a low-income tenant. This is a minimum requirement and affordability requirements should be equal to the total rebate amount awarded.
- The owner must agree not to evict a tenant to obtain higher rent tenants based upon any upgrades made.
- The owner must agree not to increase the rent of any tenant of the building as a result of the energy efficiency upgrades, except for increases to recover actual increases in property taxes and/or specified operating expenses and maintenance costs.
- The owner must agree that if the property is sold within two years of receipt of a rebate, the aforementioned conditions apply to the new owner and must be part of the purchase agreement.

Other requirements for rental units include:

- A specific and valid mechanism (e.g., addendum to the lease) must be in place for providing tenants with written notice of their rights and their building owner's obligations.
- Enforcement and penalties are clear and sufficient to act as a disincentive for owner violations, and provide for damages and attorney's fees recoverable by tenants.

Tax Deduction

Also, available through the IRA are tax deductions for energy efficiency upgrades. A [tax deduction](#) reduces the amount of taxes owed by allowing certain expenses to be subtracted from your taxable income. For those living in a four-story or higher multifamily building, you may also be able to upgrade the energy efficiency of your space through your building owner. Talk to your building owner and let them know about the [Energy Efficient Commercial Building Tax Deduction \(179D\)](#) to see if they are eligible. Eligible energy efficiency upgrades include construction/improvements to walls, floors, roofs, doors, windows, HVAC systems, and lights. The deduction may be used every three years by taxable entities and every four years when used by tax-exempt entities that own the building. The deduction is based on the energy efficiency gains and energy savings from projects/ upgrades, which you will find below:

Energy Savings and Energy Efficiency Gain ⁹	Credit Amount
25% (Min.)	50 cents/sq. ft.
30%	60 cents/sq. ft.
35%	70 cents/sq. ft.
40%	80 cents/sq. ft.
50% (Max.)	\$1.00/sq. ft.

⁹ *Base deduction amount is multiplied by five if labor requirements are met.*

Solar for All

As part of the IRA, \$7 billion was distributed to states and territories through the Solar for All program in Spring 2024. The goal of the program is to expand residential and community solar access for low-income and disadvantaged communities in the country.

North Carolina received \$156 million to establish a program in the state known as EnergizeNC, which will provide financial incentives for the following priority areas:

- Rooftop solar installations on single-family homes, which, in some cases, may include storage.
- Behind-the-meter solar installations at multifamily housing units that are owned and operated by nonprofit and public organizations.
- Community solar pilot programs, many with municipal utilities and electric co-ops.

For more information and updates visit the [EnergizeNC website](#).

For more information on other Solar for All programs, [click here](#).

For more information on additional incentives from your electric utility, municipality, state, and further federal programs, visit the [Database of State Incentives for Renewables & Efficiency](#).

Contact Information:

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NC STATE UNIVERSITY