



What is it?

A federal tax **deduction**, not a tax **credit**

- ☑ Enacted through Energy Policy Act of 2005 and extended via the Emergency Stabilization Act of 2008
- ☑ Must be a commercial building (or public building) covered under ASHRAE 90.1 – 2001
- ☑ Building must be ‘placed in service between Jan 1, 2006 & Dec 31, 2013



How does it work?

Four basic methods to compliance, all include computer energy modeling or calculations for the building


- ☑ \$1.80 per sf available for a 50% reduction below ASHRAE 90.1 – 2001 from:
 - Heating, cooling, ventilation and water heating
 - Interior lighting
 - Building envelope



What's the break down?

Partial deductions are available as follows:

- ☑ \$0.60 per sf available for a 16 2/3 % reduction below ASHRAE 90.1 – 2001 from **each** category:
 - Heating, cooling, ventilation and water heating
 - Interior lighting (with variations)
 - Building envelope



Show me the numbers...

Warehouse Retrofit:	200,000 sf
Partial deduction:	lighting power density
ASHRAE 90.1-2001:	1.2 W/sf
Requirement (50%):	0.6 W/sf
Achieved:	0.44 W/sf
Result:	\$0.60/sf or \$120,000 tax deduction



Who is eligible?

The deduction is available to the owner of the building or systems; or the designer, which can include:

- Architects
- Engineers
- Energy Service Companies
- Tenants



What's the catch?

- ☑ Warehouse's have different requirement for lighting power density: 50%. Other buildings can achieve 25% - 40%, on a sliding scale.
- ☑ Performance must be verified by lighting power density calculations
- ☑ Lighting system must also include lighting controls.
- ☑ Tax deduction requires a high enough tax appetite, so consult your accountant.



More Fine Print...

- ☑ Portions of buildings are eligible
- ☑ For non-warehouse lighting power density, can receive \$0.3/sf for 25% reduction - \$0.6/sf for 40% reduction
- ☑ Exit signs are **excluded** from calculations
- ☑ ASHRAE requires that max incandescent wattage be used for calculations
- ☑ Lighting must be hard-wired



What else is there?

More funding opportunities:

- ☑ Utility rebates
- ☑ GEO grants & rebates: www.rechargecolorado.com
 - Main Street Efficiency Initiative Grant - *NOW*
 - Energy and Water Conservation Improvements Grant - *NOW*
 - Biomass Feasibility Analysis Grant - *NOW*
 - Sustainability Management Systems (SMS) For School Districts Grant - *NOW*
 - High Performance Building Program Grant - *NOW*
 - New Energy Economic Development (NEED) Grant – *Mid July*