

# Investment Tax Credit (ITC)

Under the Inflation Reduction Act, owners of renewable energy projects will be able to choose between an Investment Tax Credit (ITC) or Production Tax credit (PTC). An ITC reduces the cost of installing clean technologies, while PTCs credit project owners for the production of their clean technologies. Stand-alone storage is only eligible for the ITC. See below for greater detail on the timelines and credit amounts:

Residential Solar & Battery ITC	Section 25D														
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
ITC Solar	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	23%	15%	0%
ITC Battery 3 Kw minimum size	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	23%	15%	0%

Commercial Solar and/or Battery ITC less than 1 Mw	Section 48 through 2024, Section 48E after														
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
ITC	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	23%	15%	0%
Domestic Content Bonus		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Energy Community Bonus		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Low Income Community Bonus*		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	8%	5%	0%
Qualified Low Income Residential Building Project or Qualified Low Income Economic Benefit Project*		20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	15%	10%	0%

\*Allocated credits will be based on an application and award process that will have to be developed by the Secretary. Maximum of 1.8 Gw ac/yr.

Commercial Solar and/or Battery ITC Greater than 1 Mw*	Section 48 through 2024, Section 48E after														
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
ITC	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	5%	3%	0%
Domestic Content Bonus		2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	1.50%	1%	0%
Energy Community Bonus		2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	1.50%	1%	0%
ITC (Labor requirements)	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	18%	12%	0%
Domestic Content Bonus(Labor requirements)		8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	6%	4%	0%
Energy Community Bonus(Labor requirements)		8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	6%	4%	0%
Low Income Community Bonus**		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	8%	5%	0%
Qualified Low Income Residential Building Project or Qualified Low Income Economic Benefit Project** \$/kwh		20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	15%	10%	0%

\*Construction starts 60 days after Department of Treasury issues guidance.

\*\*Projects under 5 Mw ac. Allocated credits will be based on an application and award process that will have to be developed by the Secretary. Maximum of 1.8 Gw ac/yr.

Commercial Solar ITC Greater than 1 Mw*	Section 48		
	2022	2023	2024
ITC	30%	30%	30%
Domestic Content Bonus		10%	10%
Energy Community Bonus		10%	10%
Low Income Community Bonus**		10%	10%
Qualified Low Income Residential Building Project or Qualified Low Income Economic Benefit Project**		20%	20%

\*Construction starts less than 60 days after Department of Treasury issues guidance.

\*\*Projects under 5 Mw ac. Allocated credits will be based on an application and award process that will have to be developed by the Secretary. Maximum of 1.8 Gw ac/yr.

# Production Tax Credit (ITC)

Under the Inflation Reduction Act, owners of renewable energy projects will be able to choose between an Investment Tax Credit (ITC) or Production Tax credit (PTC). An ITC reduces the cost of installing clean technologies, while PTCs credit project owners for the production of their clean technologies. Stand-alone storage is only eligible for the ITC. See below for greater detail on the timelines and credit amounts:

Commercial Wind/Solar PTC less than 1 Mw	Section 45 through 2024, Section 45Y after														
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PTC ¢/kwh	2.6	2.7	2.7	2.8	2.8	2.9	2.9	3	3	3.1	3.2	3.2	2.4	1.6	0
Domestic Content Bonus ¢/kwh		0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0
Energy Community Bonus ¢/kwh		0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0

\* The PTC is adjusted for inflation each year by the IRS. The levels reported for years 2023-2035 assume annual inflation of 2% for illustrative purposes

Commercial Wind/Solar PTC Greater than 1 Mw*	Section 45 through 2024, Section 45Y after														
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PTC ¢/kwh	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.3	0
Domestic Content Bonus ¢/kwh		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0
Energy Community Bonus ¢/kwh		0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0	0	0
PTC (Labor requirements)	2.1	2.1	2.2	2.2	2.3	2.3	2.3	2.4	2.4	2.5	2.6	2.6	1.9	1.3	0
Domestic Content Bonus(Labor requirements) ¢/kwh		0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0
Energy Community Bonus(Labor requirements) ¢/kwh		0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0

\*Construction starts 60 days after Department of Treasury issues guidance.

Commercial Wind/Solar PTC Greater than 1 Mw*	Section 45		
	2022	2023	2024
PTC ¢/kwh	2.6	2.7	2.7
Domestic Content Bonus ¢/kwh		0.3	0.3
Energy Community Bonus ¢/kwh		0.3	0.3

\*Construction starts less than 60 days after Department of Treasury issues guidance.