

“How to consistently qualify for the residential tax credit ”

It's very satisfying - in the current market, especially - when your efforts toward building a high-performance or energy-efficient home are rewarded with a sale, but it's better still when the federal government lets you pocket a couple thousand dollars for your trouble. Qualifying for the federal tax credit isn't just a matter of a higher HERS score, though, so here's a quick look at the building practices that will keep your credits rolling:



- Keep your ducts out of the attic. Even minor leakage in this area impacts your eligibility.
- Include mechanical ventilation in your designs to receive full credit for a tight envelope (a profile of ventilation options will be featured next month).
- Make sure that you are fully insulating (draped blankets score well) your basements, and that you don't go overboard with too much window area.

The Federal Tax Credit that many of EnergyLogic's clients have been enjoying over the past year, technically, the Energy Policy Act of 2005, is a \$2000 tax credit that accrues to the builder of the home. Qualifying for the tax credit isn't particularly easy. Understanding the nature of the tax credit is the key to working to meet it.

The root of the tax credit is that it only applies to heating and cooling energy. This means that energy associated with water heating and lights and appliances are not included in tax credit considerations. So, many of the things that we accustomed to including or considering in building high performance homes don't help us with achieving the tax credit. This includes tankless water heaters, sealed combustion water heaters, Energy Star appliances, compact fluorescent lighting and even photovoltaic systems!

What's left of course is the building envelope and heating and cooling equipment. So, here's another bulleted list of considerations:

- Use blown insulation. If you're looking at the tax credit, you probably already do this, but it's much more challenging if you have to struggle with installing fiberglass batts correctly.
- Consider using spray foam insulation, ICF's or SIP's to make a large jump in the direction of the tax credit.
- Pay rigorous attention to air-sealing. Just using good insulation doesn't insure that a home will be tight. The devil is in the details with air-sealing and homes have to be tight to make the tax credit.
- Use good windows. This is especially true if you have an abundance of them. The larger the window to wall area, the better the window will have to be. The lowest U-value that you can afford is the right answer.
- High performance mechanical systems are mandatory. Heating equipment should be at least 92% efficient. Cooling equipment has a much lower impact as we don't have that many cooling hours.

- Seal your ducts, especially if they're outside the conditioned envelope. As mentioned above, it's best to keep ducts in conditioned space, but when they are outside the conditioned envelope, it's particularly important to ensure they are tight.

We look forward to helping you reach this financially beneficial level of home performance.

-Steve Byers