

The Inflation Reduction Act for Cultural Institutions

Host: The Climate Toolkit
Presenter: Jasmine Chiu, RMI
Partners: *America Is All In*,
Environment & Culture Partners,
and the Mountaineers

Before we start:

- Slides and recording will be shared after the webinar.
- There will be Q&A at the end, but you can type questions in the chat.
- Disclaimer: This presentation does not constitute legal advice.

Supporting organizations

The Climate Toolkit

For Museums, Gardens and Zoos

in partnership with



American
Alliance of
Museums



American
Public Gardens
Association



BOTANIC
GARDENS
CONSERVATION
INTERNATIONAL

ASTC

Association of
Science and
Technology
Centers



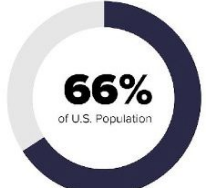
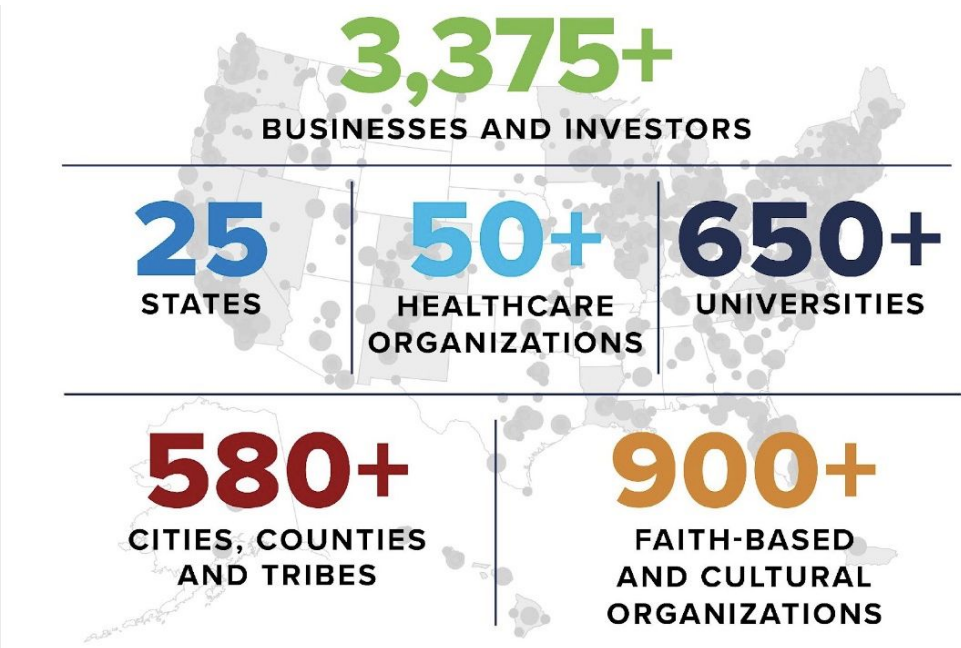
AMERICA IS
ALL IN



Environment
& Culture
Partners



America is All In Coalition

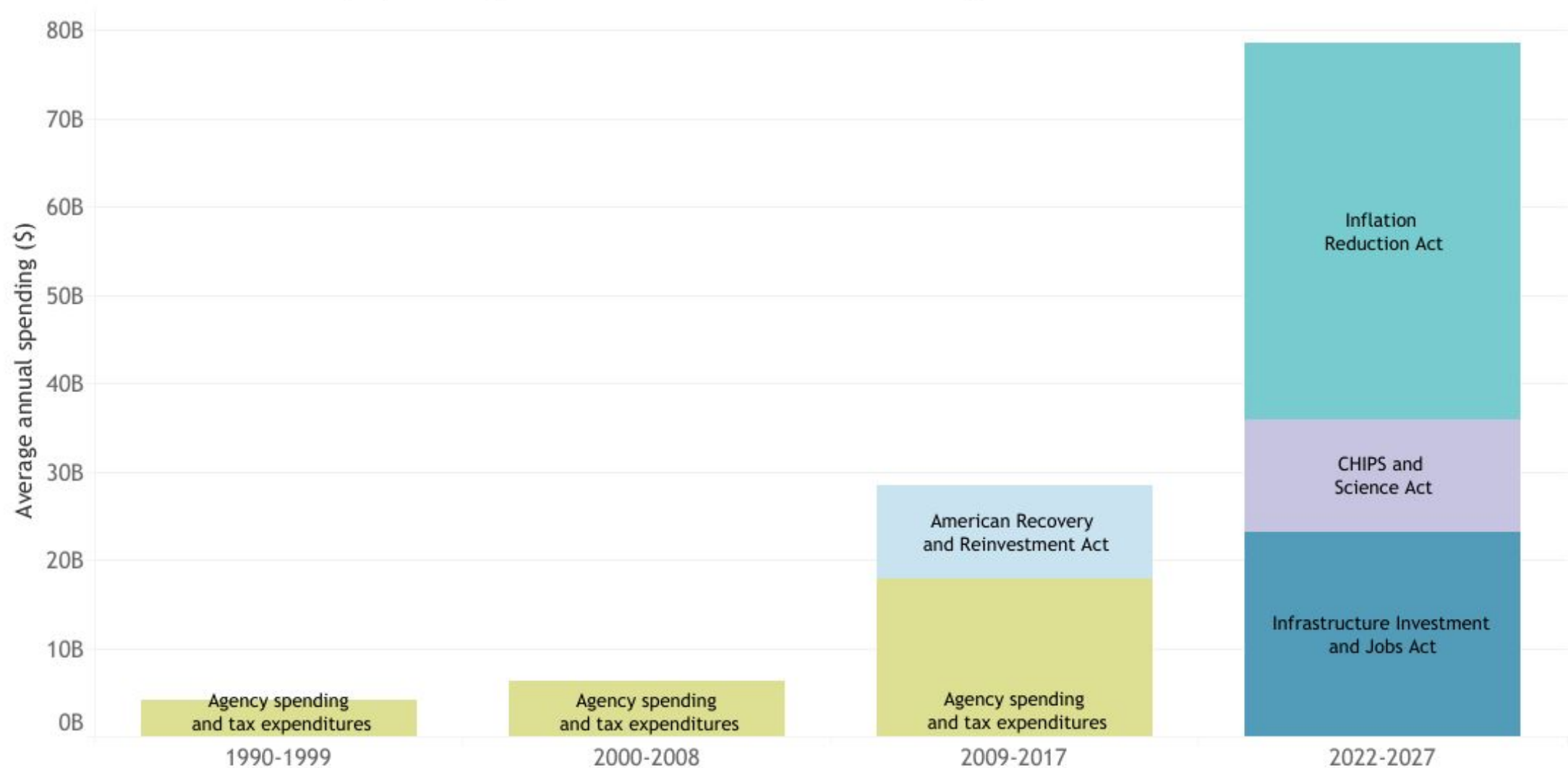


Environment & Culture Partners

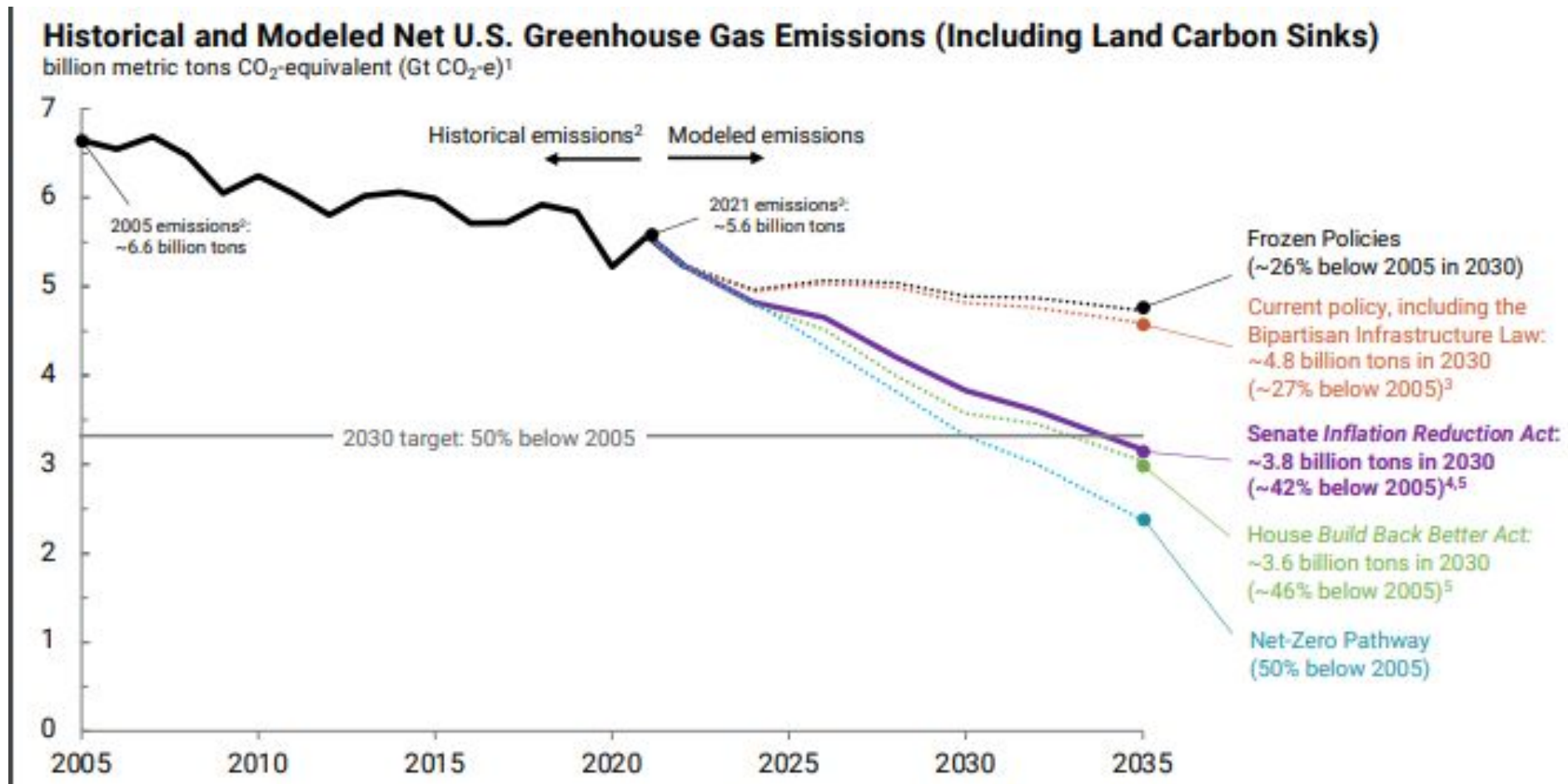


AMERICA IS ALL IN

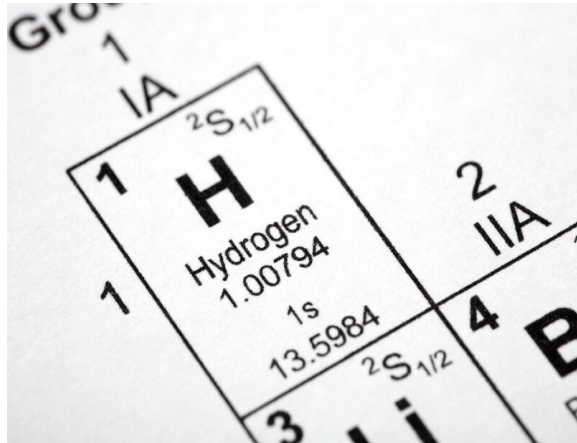
Historic Level of Federal Investment



The IRA is expected to reduce emissions 40% by 2030, and subnational members can help push further towards the 50% target.



Strategy of the Transition Changes



What is included in the IRA?

The Inflation Reduction Act includes several mechanisms that cultural institutions can leverage to take climate action, including:

1. Tax Credits and Deductions
 - Direct or “elective” pay
2. Grant Opportunities
3. Financing Opportunities

What is elective pay?

- Also known as “direct pay”
- The value of certain clean energy tax credits as a cash refund from the IRS.
- Applies to 12 climate and clean energy credits
- Must own the property that is claiming a tax credit

The screenshot shows the IRS website's navigation bar with links for File, Pay, Refunds, Credits & Deductions, and Forms & Instructions. A search bar is located on the right. The main heading is "Register for elective payment or transfer of credits".

Family, Dependents and Students

- Clean Energy and Vehicle Credits
 - Clean Vehicle Credits
 - Home Energy Credits
 - Elective Pay and Transferability**
 - Builders of Energy-Efficient Homes
 - Energy Efficient Commercial Buildings
 - Advanced Energy Project
 - Alternative Fuel Vehicle Refueling Property

Individuals Credits and Deductions

Business Credits and Deductions

Qualifying businesses, tax-exempt organizations or entities such as state, local and tribal governments can take advantage of certain tax credits even if they don't have taxable income through new [elective payment and transfer options](#). These options can be applied to certain clean energy and manufacturing credits under the Inflation Reduction Act of 2022 and CHIPS Act.

To monetize applicable credits, an authorized representative of the entity must:

- Use this online tool to register the intention to make an elective payment or transfer election
- Include registration numbers received through this online tool on the entity's tax return

The registration tool is part of the IRS business tax account application. For detailed guidance on how to use the tool, refer to [Publication 5884, Inflation Reduction Act \(IRA\) and CHIPS Act of 2022 \(CHIPS\) Pre-Filing Registration Tool – User Guide and Instructions](#) [PDF](#).

Find more information on whether the entity needs to use this tool based on:

- Specific credits under the Inflation Reduction Act of 2022 and CHIPS Act of 2022
- Types of entities that can make an elective pay or transfer election

Please check back for information about updated features in this tool.

First time users

[Authorize a clean energy account](#)

Returning users

[Access a clean energy account](#)

Tax Credits and Deductions

As tax-exempt entities, cultural institutions will be eligible for elective pay for:

- *Tax Credits for Clean Energy*
 - Investment Tax Credit (48)
 - Production Tax Credit (45)
- *Tax Credits for Clean Transportation*
 - Qualified Commercial Clean Vehicles (45W)
 - Alternative Fuel Refueling Property Credit (30C)
 - Rural OR low-income communities only

Another tax pathway, but not eligible for elective pay:

- *Tax Deduction for Clean Buildings*
 - Energy Efficient Commercial Buildings Deduction (179D)

Grant Opportunities

Cultural institutions can build community resiliency and capacity through:

Grants for Climate Work in Communities

- Environmental and Climate Justice Community Change Grants
- Investing in Coastal Communities and Climate Resilience

Financing Opportunities

- Greenhouse Gas Reduction Fund (GGRF): This allotment of \$27 billion will be distributed to non-profit green banks and states, local governments and Tribal governments. Some of the funding will go towards zero-emission technologies, some for community projects that reduce GHG emissions, and some to establish green banks. \$15 billion of the funds is reserved for low-income and disadvantaged communities.
- Commercial Property Assessed Clean Energy (CPACE): older program that allows property owners to borrow money for efficiency and renewable energy projects

Tax Credits and Deductions

Investment Tax Credit (ITC) (48)

- What? Essentially a rebate on eligible renewable energy project costs
- Base rate investment credit: 6% for zero emission electricity generation, energy storage, and interconnection property for projects smaller than 5 MW
 - Goes up to 30% for projects that meet [prevailing wage](#) and [apprenticeship](#) requirements (or if project is less than 1 MW)
- Adders:
 - Increase in base rate credit of 10% if project uses domestic content
 - Beginning in 2026, projects over 1 MW must meet domestic content requirements to be eligible for direct pay
 - Increase in base rate credit of 10% for projects in energy communities*
 - Increases in base rate credit of 10% for facilities located in low-income communities or tribal land, 20% increase for low-income residential building projects and low-income economic benefit projects

Elective pay for
non-profits

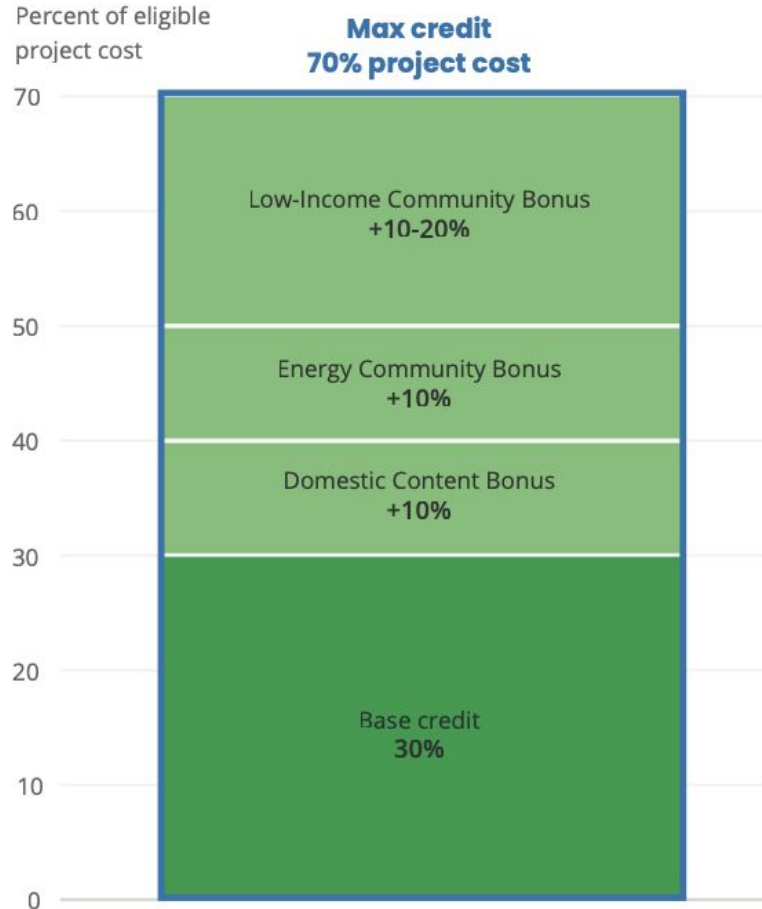
Production Tax Credit (PTC) (45)

- What? Credit based on the total amount of electricity a qualified renewable energy facility produces and sells in a taxable year (for the first 10 years of service)
- Base rate: 0.55 cents/kWh
 - Goes up to 2.75 cents/kWh for projects that meet prevailing wage and apprenticeship requirements
- Adders (no low-income adder)
 - Increase of 0.3 cents/kWh if project uses domestic content
 - Increase of 0.3 cents/kWh if project is in energy community

Direct pay for non-profits

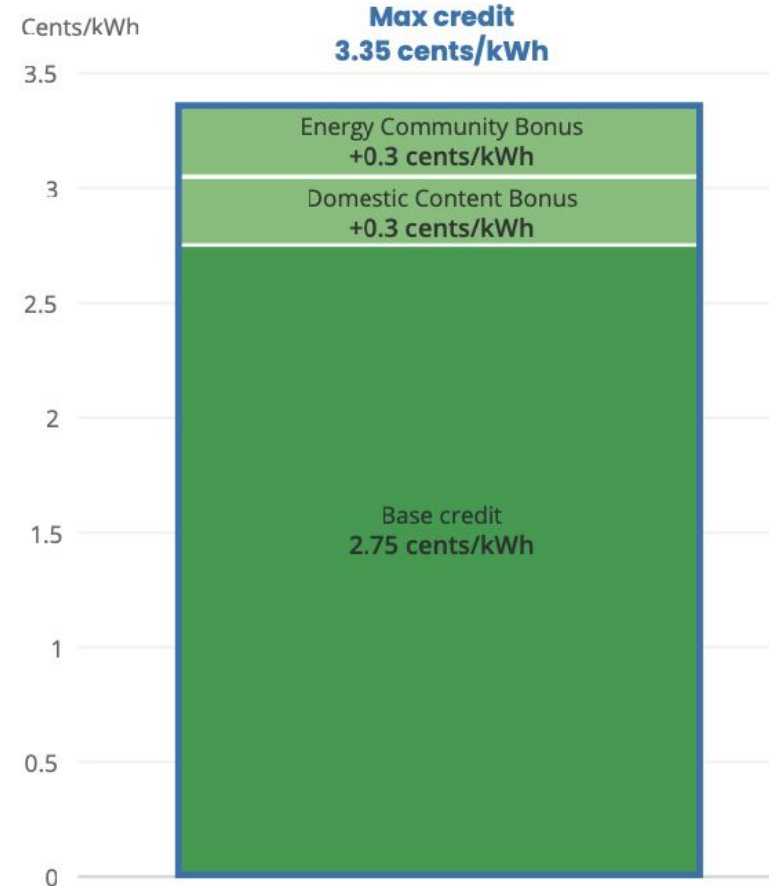
INVESTMENT TAX CREDIT (ITC)

For every dollar invested in a project, the ITC will pay up to 70% of eligible costs.



PRODUCTION TAX CREDIT (PTC)

For every kilowatt-hour (kWh) of energy generated and sold by a clean energy project, the PTC will pay up to 3.35 cents.



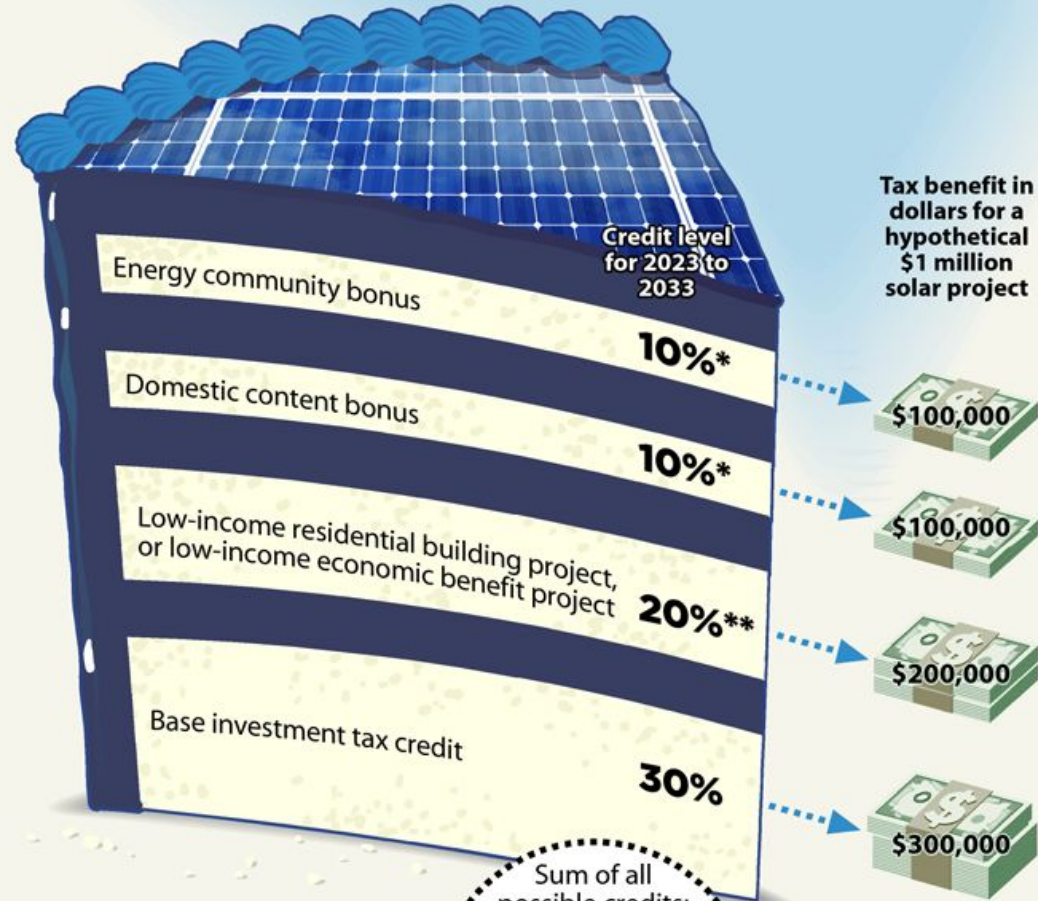
● Base credit ● Bonus credits

Source: WRI author summary of the Inflation Reduction Act, Pub. L. No. 117-169.

Direct pay for non-profits

The Clean Energy Layer Cake

The Inflation Reduction Act extends and expands the investment tax credit to cover various types of clean energy projects. But the 30% ITC is just the base layer of a larger set of tax credits if a project can meet qualifications designed to encourage high wages and U.S.-based manufacturing, among other priorities.



*If a project doesn't meet requirements for wages and apprenticeship, these credits are knocked down to 2% each.

**The credits with a low-income component are capped at 1.8 gigawatts of project capacity per year. All other categories here are uncapped.

Qualified Commercial Clean Vehicles (45W)

Elective pay for non-profits

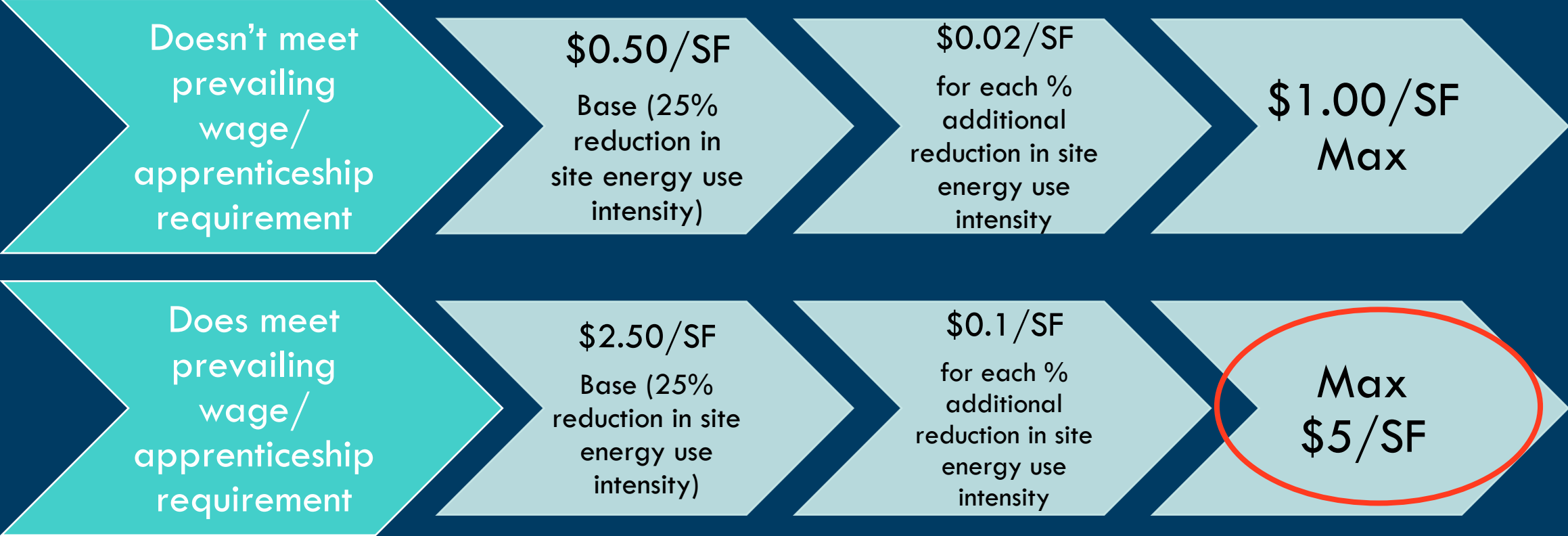
- Credit value: 15% for hybrids and 30% for electric vehicles or the incremental cost increase for new vehicles compared to a comparable vehicle. The lesser of each calculation is the vehicle credit.
- Credit maximum limit
 - \$7,500 for vehicles under 14,000 pounds
 - \$40,000 for vehicles over 14,000 pounds (medium, heavy duty)
- Final assembly must occur within North America as described in the 30D Clean Vehicle Credit
 - Does NOT have the same battery and critical mineral requirements as personal EV requirements

Alternative Fuel Refueling Property Credit (30C)

Elective pay for non-profits

- Credit value: 30% of the cost of the charger, max \$100,000 per charger, to install alternative fuel (EV) charging
 - Eligible entities must be in low-income or non-urban areas
 - Must have prevailing wage and apprenticeship requirements to get the full 30%
- Extended through 2032
- 30% applied to qualified properties placed in service after December 31, 2022.

Energy efficient commercial buildings deduction (179D)



For tax-exempt entities, building owners can allow designers to use tax deduction instead, lowering overall cost of project.

Grant Opportunities

Environmental and Climate Justice Community Change Grants



Amount: \$2 billion in grants

Application Closing Date: [November 21, 2024](#)

Agency: EPA

Purpose:

1. Reducing and preventing pollution
2. Building resilience to climate change and mitigating current and future climate risks
3. Enhancing meaningful involvement in government processes related to environmental and climate justice
4. Expanding access to high-quality jobs and economic opportunity through workforce development
5. Bolstering community strength by ensuring that local residents receive the benefits of investments and have opportunity to build on them for current and future generations

Environmental and Climate Justice Community Change Grants



Projects can apply under 2 tracks:

Track 1: Community-Driven Investments for Change

- Focus: Deploy climate action and pollution reduction strategies in disadvantaged communities
- Estimated number of awards: ~150 awards*
- Estimated award total/project: ~\$10-20 million*

Track 2: Meaningful Engagement for Equitable Governance

- Focus: facilitate engagement between disadvantaged communities and local governments
- Estimated number of awards: ~20 awards*
- Estimated award total/project: ~\$1-3 million*

Investing in Coastal Communities and Climate Resilience



Amount: \$2.6 billion in grants

Application Closing Date: November 21, 2024

Agency: EPA

Purpose:

1. Support collaborative projects that increase resilience of coastal communities to extreme weather and other impacts of climate change
2. Address risk reduction and regional collaboration and equity, and build enduring capacity for adaptation

Financing Opportunities

Greenhouse Gas Reduction Fund

GGRF is the single largest investment in low-income and disadvantaged communities in the Inflation Reduction Act

\$14 B

National Clean
Investment Fund

2-3 awards to national
nonprofits

\$6 B

Clean Communities
Investment Accelerator

2-7 awards to hub
nonprofits

\$7 B

Solar For All
(S4A)

~60
awards

C-PACE: Commercial Property Assessed Clean Energy

- Financing structure in which building owners borrow money for projects concerning efficiency, renewable energy, and others.
- Adds a lien on the property tax, not the individual, which allows for longer payback periods even with shorter leases
- Note: available in 30+ states that have enabled the program



Reducing The Mountaineers Carbon Footprint

February 14, 2024



Why Carbon Footprint Reduction at The Mountaineers

- As we experience **worsening impacts of the climate crisis on our public lands and communities**, we must do more to respond to this urgent threat.
- As an organization that cares deeply about healthy lands and waters, The Mountaineers has a **unique obligation to aggressively reduce our impact on the environment**.
- In 2017, The Mountaineers committed to **intentionally addressing the climate crisis by making carbon footprint reduction a priority** in our Vision 2022 strategic plan.

STRATEGIC FRAMEWORK

VISION:

ADVENTURE WITH PURPOSE

STRATEGIC PRIORITIES:

LEAD
Innovation in
Outdoor Education

ENGAGE
a Vibrant Community of
Outdoor Enthusiasts

ADVOCATE
on Behalf of the
Natural World

VISION OUTCOME:

Anyone inspired to learn outdoor skills has that opportunity with The Mountaineers.

VISION OUTCOME:

Every individual can find inspiration and belonging in the outdoors through Mountaineers community, programs, and books.

VISION OUTCOME:

Our community makes a meaningful, enduring impact in protecting our planet and the outdoor experience.

STRATEGIC PRIORITY

ADVOCATE on Behalf of the Natural World



Hoh Rain Forest. Photo by Brendan Moore-Penaskovic.

VISION OUTCOME | Our community makes a meaningful, enduring impact in protecting our planet and the outdoor experience.

The Mountaineers has always been a fierce defender of the natural world. In response to increasing recreational use of public lands and intensifying climate change, we must strengthen our capacity to protect the outdoors for future generations.

GOALS

A1 Achieve high-impact outcomes for conservation and sustainable recreation access through new and deepened partnerships and policy expertise.

The Mountaineers plays a unique role in the conservation community, convening outdoor partners, land managers, legislators, and tribes to advance innovative and collaborative solutions. With a critical need to better engage with tribes, the increasing impacts of climate change, and complex land management challenges, we must advocate for funding, management tools, and protections for our public lands. Through initiatives like Outdoor Alliance Washington, we will continue to forge strong relationships, lead diverse coalitions, and capitalize on our deep policy expertise to protect the outdoor experience and the public lands and waters we love.

A2 Inspire and equip our community to be highly-effective advocates for climate and the natural world.

Our books and programs spark a lifelong passion for the outdoors, and our conservation work translates this passion into tangible policy outcomes for conservation and climate. With the evolving political environment, we need deeper engagement with lawmakers and more innovative methods of advocacy to remain effective. We will create tools like advocacy training and mentorship programs, bolster impact campaigns, publish more books in support of threatened North American landscapes and biodiversity, and further elevate the voices of outdoor enthusiasts directly to lawmakers.

A3 Act urgently to minimize our organization's impact on the environment.

The climate crisis is an urgent threat to the future of The Mountaineers and our community, and we are committed to doing our part to lower our carbon footprint. We will aggressively reduce carbon emissions from direct organizational impacts, striving to become a net zero organization. To further reduce our carbon footprint, we will educate our community on additional ways to minimize environmental impact through sustainability, responsible recreation, and stewardship.

Our Net Zero Vision

- The Mountaineers has committed to the ambitious goal of achieving **net zero carbon emissions from direct organizational impacts**.
- Net zero means **cutting greenhouse gas emissions to as close to zero as possible**, with any remaining emissions reabsorbed from the atmosphere by oceans, forests, or other carbon offsets.
- Thanks to community programs and support from our members, we've begun to make **great progress** toward our carbon footprint reduction goals, but there's much more to accomplish.

Tacoma Program Center Net Zero Project

- In 2021, we announced the **Tacoma Net Zero Energy Project**.
- This project included three phases: **lighting, energy-efficient appliances, and installation of solar panels**.
- The first two phases are complete, and the third phase will be complete following installation of solar panels and battery storage in early 2024.
- Following the completion of Phase III, the **Tacoma Program Center (TPC) will be a net zero facility**.

Tacoma Program Center Net Zero Project

Phase I –replace all lighting with energy-efficient LED lamps

- **Completion date: January 2020**
- **Installed with volunteer labor**
- **Cost: \$3,000 (excluding cost of labor)**
- **Funding:**
 - Tacoma Power Bright Rebates Program - \$890
 - Member donations - \$ balance
- **Benefit: estimated elimination of 5,000 kWh annually**

Tacoma Program Center Net Zero Project

Phase II - replaced gas-fired furnaces and hot water heater with high-efficiency electric heat pumps

- **Completion date: December 2021**
- **Cost: \$66,500**
- **Funding:**
 - Donations - \$33,000
 - Charlie and Carol Michel – major donation
 - > 30 other member donors
 - Tacoma Power grant - \$2,500

Tacoma Program Center Net Zero Project

Phase II - replaced gas-fired furnaces and hot water heater with high-efficiency electric heat pumps (cont.)

- **Benefit:**
 - Electric-only facility
 - Eliminated 1080 therms/year (5.7 tons CO₂) natural gas from Tacoma Program Center

Tacoma Program Center Net Zero Project

Phase II - replaced gas-fired furnaces and hot water heater with high-efficiency electric heat pumps (cont.)



Tacoma Program Center Net Zero Project

Phase III – Install solar PV system and Tesla Powerwall battery storage

- **Target Completion date: Early 2024**

- **Cost: \$213,780**

- **Funding:**

– Tacoma Power Evergreen Options Grant	\$ 50,000
– WA Commerce Solar+Storage Grant	\$ 90,104
– Inflation Reduction Act Investment Tax Credit	\$ 64,134
– Mountaineers donations and other funding	\$ 9,542

Tacoma Program Center Net Zero Project

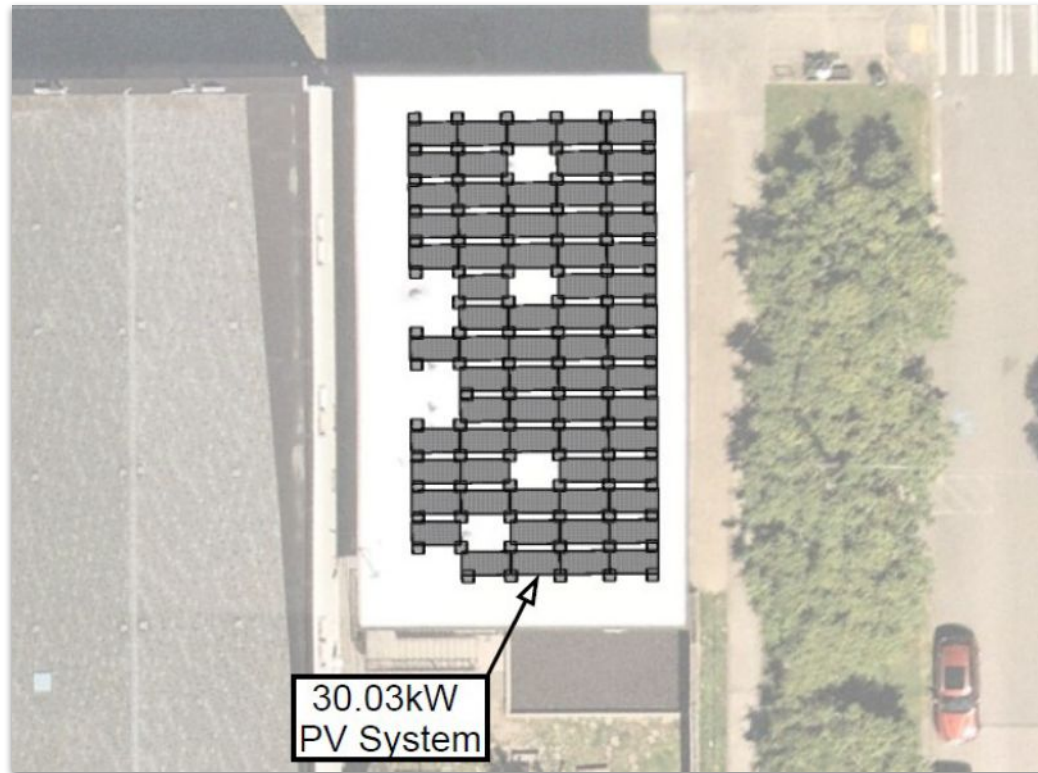
Phase III – Install solar PV system and Tesla Power Wall battery storage

- **System Specs:**

- Solar array size (kW DC): 30.03 kW
- Battery energy storage system size (kWh): 81 kWh
- Battery energy storage system size (kW): 20 kW continuous output

Tacoma Program Center Net Zero Project

Phase III – Install solar PV system and Tesla Power Wall battery storage



Tacoma Program Center Net Zero Project

Tacoma Program Center: Totally Electric

Gas meter
Removed!



Net Zero Partners

Takeaways

- Utilize elective pay
 - Previously, tax exempt-entities did not qualify for tax credit incentives. Now, that has changed!
- Enablement through partnerships
 - Team up on your projects to broaden support and impact (check requirements for limitations).
- Remember you can stack incentives
 - Investigate how incentives can stack and provide maximum coverage for project expenses.

Next steps:

- Identify a champion within your organization and/or form an internal or community working group
- With your organization's priorities in mind, research federal programs and tax credits that your project or organization may qualify for
- Explore how you can stack programs and credits to maximize savings

Resources

- 1) Check out our **Federal Funding Hub** with resources and funding deadlines. Scan or visit bit.ly/All-In-Subscribe.
- 2) Visit the [AFFORD Tool](#), made to help filter opportunities that apply to you.



Questions and Discussion



Contact Details

Jasmine Chiu, RMI - jchiu@rmi.org

Thank you!

