



Direct Pay & Case Study with Inflation Reduction Act

UW Extension Lunch and Learn

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Direct Pay for Nonprofits

Tax exempt entities such as schools, local governments, and nonprofits can now receive up to 30% reimbursements from the federal government via the Inflation Reduction Act for eligible solar, geothermal, battery storage and electric fleet projects.

1

Complete eligible projects from the Inflation Reduction Act

2

Apply for reimbursement through a one-time application from the US Treasury*

3

Receive your check

LEARN MORE ABOUT ELIGIBLE PROJECTS AND DIRECT PAY AT
[DANECLIMATEACTION.ORG/WHAT-YOU-CAN-DO/FEDERAL-FUNDING](https://daneclimateaction.org/what-you-can-do/federal-funding)

*PROJECTS CAN BEGIN NOW WHILE APPLICATION FORMS ARE BEING FINALIZED

Investment Tax Credit 2023-2033

	Less than 1 MW	Over 1 MW	
Base Credit	30%		
Meets Prevailing Wage/Apprenticeship	N/A	No: 6%	Yes: 30%
Domestic Content	+10%	+2%	+10%
Energy Community	+10%	+2%	+10%
<i>Bonus Credits (competitive with annual limits)</i>			
LMI Communities or Tribal Land	+10%	+10%	+10%
Qualified Low Income Building or Impact	+20%	+20%	+20%
Subtotal of Credits			
Tax-Exempt Financing	Subtract 15% of subtotal		
Total Direct Pay			

Case Study: Forest Edge Elementary



- First Net Zero school in Wisconsin
- Completed in 2020
- Features
 - 800 kW geothermal wells
 - 626 kW (dc)/500kW (ac) solar arrays
 - 125 kW battery storage
 - Estimated \$60k energy savings/year



Forest Edge:
Total solar, battery and geothermal costs: \$2.5 M
Project is over 1 MW

Base Rate With Prevailing Wage/Apprenticeship Requirements Met	30%	
Domestic Content	Yes +10%	No
Subtotal of Credits	40%	30%
Tax-Exempt Financing	15% of 40% = 6%	15% of 30% = 4.5%
Subtotal %	40% - 6% = 34%	30%-4.5% = 25.5%
Total Direct Pay	\$850,000	\$637,500
Total Project Cost	<i>\$1,650,000</i>	<i>\$1,862,500</i>

Case Study: McFarland Public Safety Building



- Will house Fire & Rescue, Municipal Court, and Police Departments
- 58,000 sq ft
- Will be a net-zero building
 - Geothermal
 - Solar arrays
- Actual Costs
 - \$850,000 Solar PV
 - \$2.5M geothermal & HVAC system
 - Total -\$3,350,000

McFarland Public Safety Building

Total solar, battery and geothermal costs: \$3,350,000

Project is under 1MW

Base Credit	30%	
Domestic Content	Yes +10%	No
Subtotal of Credits	40%	30%
Tax-Exempt Financing	15% of 40% = 6%	15% of 30% = 4.5%
Subtotal %	40% - 6% = 34%	30%-4.5% = 25.5%
Total Direct Pay	\$1,139,000	\$854,250
Total Project Cost	<i>\$2,211,000</i>	<i>\$2,495,750</i>

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DaneClimateAction.org/federal-funding

