

EarthCare Connections

Fostering awareness of our spiritual oneness with the earth and promoting active care of creation.

www.unityworldwideministries.org/earthcare earthcare@unity.org

*The earth does not belong to us; we belong to the earth. This we know.
All things are connected like the blood that unites one family.
Chief Seattle*

A Deeper Dive into Federal Funding Benefits Accessible to Houses of Worship



In this special edition of EarthCare Connections, we will take a deeper dive into energy upgrade funding opportunities that are available to nonprofits and houses of worship through the Inflation Reduction Act (IRA).

We will summarize some key points and provide the reader important links of where to go for more information.

In This Issue:

- Renew America's Nonprofits Grants
- Clean Energy Investment Tax Credits (ITC)
- Clean Energy Production Tax Credits (IPC)
- Direct Pay through the Inflation Reduction Act
 - Who is eligible?
 - Why apply?
 - How do I apply?
- Where to go for more information:
 - Federal Sources
 - Interfaith Power and Light (IPL)
- Closing Prayer

Renew America's Nonprofits Grants

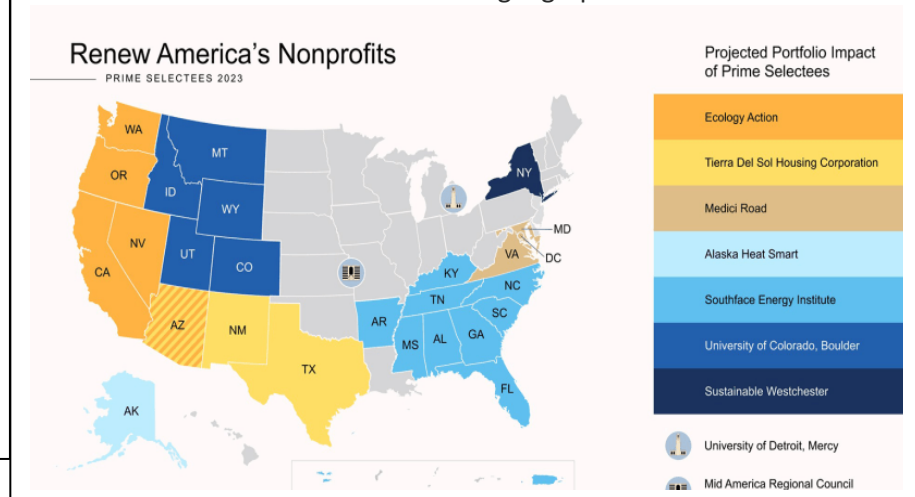
On October 25, 2023, the Department of Energy announced that nine nonprofit organizations will share \$45 million in awards, and collaborate with 38 partners, to deliver energy improvements in approximately 300 nonprofit buildings across the country – including 28 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

The awards are through a new program called *Renew America's Nonprofits* (<https://www.energy.gov/scep/renew-americas-nonprofits>). These nine Prime Selectees will provide grants of up to \$200,000 to nonprofits to improve the energy efficiency of their facilities.

- What it is: Grant funding for nonprofit organizations to renovate building materials to improve energy efficiency, lower utility costs, and reduce carbon emissions.
- What *exactly* does it offer? Funding for energy efficiency materials, including roofing, lighting systems, windows, and doors. It also funds the renovation of heating, ventilation, and air conditioning systems and components. It can be applied toward insulation, wiring, and plumbing improvements.
- Example: A synagogue is experiencing abnormal energy costs during winter. By using grant funding to replace its windows, the synagogue will be able to decrease its use of the heating system during the coldest time of the year and gradually decrease its energy bill.



Here are the Prime Selectees and their geographic areas:



University of Detroit, Mercy
Mid America Regional Council

The Prime Selectees are now in the process of identifying sub recipients, efficiency projects, and a complete picture of their impacts by approximately June 2024. Here is how to contact the Prime Selectees to get more information:

- **Alaska Heat Smart, Juneau, AK**
<https://www.energy.gov/scep/alaska-heat-smart-juneau-ak>
- **Ecology Action, Santa Cruz, CA**
<https://www.energy.gov/scep/ecology-action-santa-cruz-ca>
- **Mid America Regional Council Community Services Corporation, Kansas City, MO**
<https://www.energy.gov/scep/mid-america-regional-council-community-services-corporation-kansas-city-mo>
- **Medici Road, Washington, D.C.**
<https://www.energy.gov/scep/medici-road-washington-dc>
- **Southface Energy Institute, Atlanta, GA**
<https://www.energy.gov/scep/southface-energy-institute-atlanta-ga>
- **Sustainable Westchester, Mount Kisco, NY**
<https://www.energy.gov/scep/sustainable-westchester-mount-kisco-ny>
- **Tierra Del Sol Housing Corporation, Las Cruces, NM**
<https://www.energy.gov/scep/tierra-del-sol-housing-corporation-las-cruces-nm>
- **University of Colorado Boulder, Boulder, CO**
<https://www.energy.gov/scep/university-colorado-boulder-boulder-co>
- **University of Detroit Mercy, Detroit, MI**
<https://www.energy.gov/scep/university-detroit-mercy-detroit-mi>

Clean Energy Investment Tax Credit (ITC)

<https://www.energy.gov/eere/solar/federal-solar-tax-credits-businesses>

- **What it is:** Investment tax credits for installing onshore and offshore wind, solar, geothermal, battery storage, and pumped-storage hydro energy.
- **What *exactly* does it do?** It offers 6% in investment tax credits as a direct payment toward the base costs of a construction project. The organization can receive up to 30% if it meets the [contractual labor wage and apprenticeship requirements](#).
- **Example:** A Quaker monthly meeting decides to install solar panels on the roof of its building. The installment costs \$20,000. This means that the meeting can, as a tax-exempt organization, receive \$1,200 towards its tax returns or up to \$6,000, if complying with all requirements.

Clean Energy Production Tax Credit (PTC)

<https://www.epa.gov/lmop/renewable-electricity-production-tax-credit-information>

- **What it is:** Tax credits as direct payment for utilizing solar, offshore and onshore wind, and geothermal energy. Organizations receive a tax credit to produce electricity based on the kilowatt-hour (kWh) of power produced.
- **What *exactly* does it offer?** A base tax credit of \$0.05 per kWh and a bonus tax credit of \$0.25 per kWh if contractual labor wage and apprenticeship requirements are met. The amount of return is increased over time according to inflation.
- **Example:** A Catholic church uses 30,000 kWh in a year. This means the church could receive \$1,500 in tax returns upon installing solar panels and potentially \$7,500 in bonus returns.

DIRECT PAY THROUGH THE INFLATION REDUCTION ACT

<https://www.whitehouse.gov/cleanenergy/directpay/>



Tax exempt and non-profit entities are now able to receive a payment equal to the full value of tax credits for building qualifying clean energy projects.

Tax exempt and non-profit entities are now able to receive a payment equal to the full value of tax credits for building qualifying clean energy projects. Direct pay allows entities to get their payment if they meet the requirements for both direct pay and the underlying tax credit.

WHO IS ELIGIBLE?

- 501(c)(3) organizations such as public charities, private foundations, schools, hospitals, houses of Worship and others
- **Religious or apostolic 501(d) organizations**
- All other organizations exempt under section 501(a) of the tax code

WHY APPLY FOR DIRECT PAY?

Direct pay can help nonprofits afford to install clean energy, which can help them reduce their own energy use and save money so they can spend more resources on their mission. Nonprofits can also become local climate leaders by using their property to generate clean electricity that benefits their neighbors through technologies like community solar.

Example. EcoRun, a 501(c)(3) nonprofit, has a large roof on its headquarters, and wants to install solar panels to supply electricity to the building. Through direct pay, EcoRun can get up to 30% of the installation cost back under the Investment Tax Credit—or more if it is eligible for bonus credits.

Please consult the [IRS website](https://www.irs.gov/credits-deductions/elective-pay-and-transferability-frequently-asked-questions) below for a complete list of eligible entities:

<https://www.irs.gov/credits-deductions/elective-pay-and-transferability-frequently-asked-questions>

HOW DO I APPLY FOR DIRECT PAY?

Entities wishing to claim direct pay need to complete the following steps:

Step 1: Identify the project and the credit you want to pursue.

Step 2: Complete your project, place it into service, and determine the corresponding tax year.

Step 3: Determine when your tax return will be due.

Step 4: Complete pre-filing registration with the IRS before your tax return is due.

Step 5: Once you receive a valid registration number, file your tax return by the due date, including extensions.

Step 6: Receive your direct payment.

Here's a sample timeline for claiming direct pay for most organizations with a calendar tax year*:

- | | |
|--|---|
| • Any time in 2023 | Clean energy project goes into service. |
| • Late 2023 or early 2024, before tax return is due | Pre-register with IRS |
| • By 5/15/24 (for most tax-exempt & government Entities) | Deadline to file tax return (if you don't take an extension). |
| • After return is processed | Receive direct payment |

WHERE TO GO FOR MORE INFORMATION

There are several places you can go to get more information regarding these Federal programs, including about using direct pay. On the Federal level:

<https://www.irs.gov/credits-and-deductions-under-the-inflation-reduction-act-of-2022>

<https://www.irs.gov/credits-deductions/elective-pay-and-transferability-frequently-asked-questions>

In addition, Interfaith Power and Light (<https://interfaithpowerandlight.org/federal-funding/>) has developed a toolkit with a number of resources to help you.

This [faith community resource spreadsheet](#) can help you identify federal grant and tax credit opportunities that are available and will be kept up to date as new program guidance becomes available.

[Environmental and Energy Study Institute Energy Efficiency for Nonprofits](#) page

Check IPL's new [Congregational Solar Resource](#) page to learn about financing, finding an installer and more.

[Federal solar tax credits for nonprofits](#) from the Federal Office of Energy Efficiency & Renewables, updated April 2023

[Direct Pay guidance](#) from the White House

[IPL FAQ on Direct Pay](#) – IPL created this FAQ based on questions houses of worship asked DOE. We asked DOE to answer them.

[FAQs on Direct Pay and Transferability](#) from the IRS

[More on Direct Pay from a law firm.](#) Please contact tax experts in your own state for the best information.

[Interfaith resource website for houses of worship](#)

[Electric vehicle information](#)

Preparing to Apply for Federal Grants and Tax Credits

Benchmark your buildings – line up 12 months of utility bills, find out the construction date of your building, track occupancy rates, and use [IPL's Cool Congregations Calculator](#) to learn more about your congregation's carbon footprint.

Learn what other sources of funding you can leverage to go along with the federal funding – state, local, and utility. Research your own denomination's sources for funding for building improvements, for instance, the [United Church of Christ Cornerstone Fund](#) serves all congregations even if they are not UCC.

So plan ahead to take advantage of **"direct pay"** and be part of creating thriving, healthy, and sustainable communities.

Webinars

IPL and our partners are hosting briefings that provide updates on these federal programs, how congregations can use them, and how to apply. Make sure you're on our [email list](#) to receive the event notifications or check back on our [events page](#). Here are recordings of the previous webinars:

[Recording of the December 8th webinar: Federal Funding Resources for Nonprofits and Houses of Worship Briefing](#)

[Recording of February 21st webinar: Planning the Energy Future of Your Congregation](#)

[Recording of June 21st webinar: Solar Financing for Congregations](#)

[Recording of July 18th Climate and Energy Resources for Faith Communities:](#)

[A Briefing with the U.S. Department of Energy Briefing](#)

[Recording of October 25th Holy Heat Pumps! webinar: learn about heat pumps for congregations and the new federal incentives for congregations to help pay for them.](#)

Other Resources

[IPL Factsheet on Federal Funding Opportunities for Faith Communities](#)

[Oportunidades de Subvención Federal Para las Comunidades de fe](#)

To download copies, please go to the Interfaith Power and Light website listed above.



I know I have posted this poem before but feel called to do so again.

It's 3:23 in the morning and I'm awake because my great-great
grandchildren won't let me sleep.

My great-great grandchildren ask me in dreams
"What did you do while the planet was plundered?

What did you do when the Earth was unraveling?

Surely you did something when the seasons started failing,

As the mammals, reptiles, birds were all dying.

Did you fill the streets with protest when democracy was stolen?

What did you do once you knew?"

Drew Dellinger

Mike McCord
Editor