

New Federal Clean Energy Funding for Houses of Worship

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The passage of the bipartisan Infrastructure Investment and Jobs Act (IIJA) in November 2021 and the Inflation Reduction Act (IRA) in August 2022 provide exciting opportunities for houses of worship to have easier access to clean energy funds.

The IIJA provides the Department of Energy with \$50 million over five years for a new program, the Renew America's Nonprofits program. This program will provide grants of up to \$200,000 to nonprofits to improve the energy efficiency of their facilities. Visit www.energy.gov/scep/renew-america-nonprofits or contact nonprofits@doe.gov for more information.

The IRA allows nonprofits and houses of worship to have access to clean energy funds and tax credits through its elective pay provision, more commonly known as "direct pay." Before the IRA, only homeowners and commercial entities with some tax liability could claim tax credits when installing solar panels, wind turbines, or other eligible technologies. Now, the "direct pay" option means non-taxable entities can also benefit from these credits. Unlike competitive

grant and loan programs in which applicants may not receive an award, direct pay allows entities to get their payment if they meet the requirements for both direct pay and the underlying tax credit. There are steps leading up to filing for direct pay, such as a required pre-filing registration process, which requires an EIN or TIN. More information about this pre-filing registration process will be available by late 2023.

Interfaith Power and Light (IPL) (<https://interfaith-powerandlight.org/federal-funding.org>) has compiled extensive information on its website to help houses of worship understand eligibility and application requirements. In order to prepare for implementing a project, IPL recommends lining up 12 months of utility bills, determining the construction date of your building, tracking occupancy rates, and using IPL's Cool Congregations Calculator to learn more about your congregation's carbon footprint. It is also helpful to learn what other sources of state, local, and utility funding you can leverage to go along with the federal funding.



Clean Energy Districts of Iowa are local institutions that can also provide assistance. As of 2021, there were nine established Energy Districts in Iowa (Howard, Winneshiek, Allamakee, Clayton, Delaware, Dubuque, Jackson, and Johnson) and more are in the process of being established. To find the energy district near you, go to <https://energydistrict.org>.

These resources come at a critical time when God is leading us into action to address climate change. If your congregation has been considering implementing energy efficiency and/or clean energy projects, whether to save money or protect God's creation or both, the time is now.