

## Connecting members to stimulus savings

It's all over the news; with the passage of the federal stimulus bill there's money available to help Americans weatherize homes and make energy efficiency improvements. But how can people connect with these resources?

Co-op employees have a special role to play as the American Recovery and Reinvestment Act of 2009 goes into action. A large portion of the stimulus package—almost \$50 billion dollars—will fund renewable energy development and energy efficiency measures. Our members will be turning to us for answers, and we need to be ready with answers.



Investing in a few basic steps to secure a home from outside elements provides major benefits. The U.S. Department of Energy (DOE) says weatherization—the process of sealing air leaks and properly insulating a home—can reduce heating bills by up to 32 percent, resulting in an average energy savings of \$358 per year.

As a result of the stimulus package, DOE's Weatherization Assistance Program is expanding with a goal of weatherizing one million homes per year. In the past only households that earned up to 150 percent (depending on the state) of the national poverty level were eligible to participate. The stimulus bill extends eligibility to those with incomes below 200 percent of the national poverty level. For a family of four, that's an income limit of \$44,100.

Program participants receive a professional energy consultation with an analysis of energy bills, a blower-door test to locate air leaks and advice on how to be more efficient. Workers then arrive to make energy upgrades like insulating walls and roofs, sealing air leaks, and installing more efficient heating and cooling systems. The process to weatherize a home through the program usually takes two days with an average cost of \$2,500. Since some homes have different needs, the stimulus bill allows up to \$6,500 to be spent on each home.

For members not eligible for federally funded programs, the stimulus plan provides a homeowner efficiency tax credit of up to \$1,500, or 30 percent, of the cost for new energy upgrades, including weatherization activities as well as installation of efficient heating, ventilation, and air conditioning systems. Efficiency tax credits were already available for 2009, but carried a \$500 limit (with additional caps for certain types of upgrades) and only covered up to 10 percent of a member's investment.

Tax credits directly lower a member's federal income taxes, and are generally more valuable than tax deductions because they reduce taxes owed dollar-for-dollar. In contrast, a tax deduction, like a home mortgage or charitable gift, lowers taxable income and may only offer small savings. For example, a \$1,500 tax deduction for a member in the 25 percent tax bracket would lower taxes owed by \$350; a \$1,500 tax credit for energy efficiency efforts will lower taxes owed by \$1,500!

MVEC also offers the following rebates for members who install products to an Energy Wise program (excluding appliances):

### **Residential Energy Star Air Source Heat Pumps & Ground Source Heat Pumps**

- **\$500 rebate** for an Energy Star Air Source Heat Pump with 13 SEER or higher
- **\$200 rebate per ton** for an Energy Star Ground Source Heat Pump

### **Residential Energy Star Appliances**

- **\$15 rebates** available for the following Energy Star appliances:
  - Clothes washers, freezers, refrigerators

**Electric Resistant Heating Products**

- **\$10/kW rebates** for garage heaters, boilers, in-floor, baseboards, cove heaters, plenum heaters, electric thermal storage units and forced air.

Weatherization programs will be handled differently in each state. Below are agencies within our service area:

**DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY****Executive Director: Mark Ulfers**

1228 Town Centre Drive

Eagan, MN 55123-1066

[mulfers@dakotacda.state.mn.us](mailto:mulfers@dakotacda.state.mn.us)

Phone: (651) 675-4400

Fax: (651) 675-4444

**Wx Coordinator: David Betzler**

[dbetzler@dakotacda.state.mn.us](mailto:dbetzler@dakotacda.state.mn.us)

**Director of Community Revitalization: Dan Rogness**

[drogness@dakotacda.state.mn.us](mailto:drogness@dakotacda.state.mn.us)

Counties Served: Dakota

**MINNESOTA VALLEY ACTION COUNCIL, INC.****Executive Director: John Woodwick**

464 Raintree Road

Mankato, MN 56001

[johnw@mvac.mankato.mn.us](mailto:johnw@mvac.mankato.mn.us)

Phone: (507) 345-2431

Fax: (507) 345-2414

**Wx Coordinator: Pam Wild**

[pamw@mvac.mankato.mn.us](mailto:pamw@mvac.mankato.mn.us)

**Housing Director: Judd Schultz**

[jschultz@mvac.mankato.mn.us](mailto:jschultz@mvac.mankato.mn.us)

Counties Served: Blue Earth, Brown, Faribault, LeSueur, Martin, Nicollet, Sibley, Waseca, Watonwan

**Complete list of weatherization assistance programs:**

[http://www.waptac.org/sp.asp?mc=what\\_contacts](http://www.waptac.org/sp.asp?mc=what_contacts)

**Members who want to apply for the programs should visit:**

[www.eere.energy.gov/weatherization/state\\_contacts.cfm](http://www.eere.energy.gov/weatherization/state_contacts.cfm)