



Energy Incentives Program: Energy Conservation Tax Credit Recertification Process

The following table shows the recertification process provided in HB 2448 (2015). Tax credit projects subject to the recertification process are conservation projects with total project costs certified of \$1 million or more. This chart is based on a tax credit of 35%, credits of lesser percentage may have different allocations.

Tax Credit Year	Year 1 Tax Credit	Year 2 Tax Credit	Year 3 Tax Credit	Year 4 Tax Credit	Year 5 Tax Credit
Certification Period	Final Application Period	Recertification Period 1	Recertification Period 2	Recertification Period 3	
Amount of Credit	10% of certified cost	10% of certified cost	5% of certified cost	5% of certified cost	5% of certified cost
Application Type and Fee	Final Application + Final Review Fee	Application for Recertification + Recertification Fee	Application for Recertification + Recertification Fee	Application for Recertification + Recertification Fee	
Requirements	Applicant completes project as described in preliminary certificate. Project begins operating.	In first year of operation, project operates and performs as described in the performance agreement.	In second year of operation, project operates and performs as described in the performance agreement.	In third year of operation, project operates and performs as described in the performance agreement.	
Application Review	Project review and inspection to set the baseline for operations and reporting outlined in a performance agreement. The Department will require the applicant to enter into a performance agreement.	Compare operation and performance data to requirements of performance agreement, may inspect project.			
Tax credit certificate issued	One portion of the tax credit up to 10% of certified costs.	One portion of the tax credit up to 10% of certified costs.	One portion of the tax credit up to 5% of certified costs.	Two portions of the tax credit each up to 5% of certified costs. Credit must be used in two increments representing the two years for which the credit was issued.	
Failure to Submit or Approve Application	No tax credits issued.	No tax credit certificate will be issued for the portion of the credit attributable to a year in which the failure of the applicant to submit or the Department to approve the recertification occurs. Any such portion is deemed revoked. Applicant may submit a subsequent recertification application in subsequent years if recertification periods remain.			
Transferability of Tax Credit	Once recertified, a portion of the tax credit may be sold, through the EIP transfer or pass-through process, at the present value rate for five-year credits set at the time that the Department receives the preliminary application.				