

Carlisle Solutions for the Inflation Reduction Act

The Inflation Reduction Act was signed into law on August 16, 2022. The act provides more than \$300 billion to invest in efforts to reduce energy use and promote innovation in sustainability. These efforts expand tax incentives for reduced energy use in buildings. Tax incentives have been expanded under Section 179D of the Internal Revenue Code.



THE IMPORTANCE OF ENERGY EFFICIENCY

According to the U.S. Department of Energy and U.S. Environmental Protection Agency, buildings account for about 76% of electricity use and 40% of all U.S. primary energy use. Electricity and natural gas account for over 90% of energy consumed in commercial buildings. ICF, an international consulting firm with expertise in the energy and energy efficiency sectors, conducted a study in 2021 which showed that improving a currently under-insulated roof to current code compliance results in 2 – 11% energy savings depending on building type and climate zone. Savings increased for cold climates and were highest for buildings with large roof-to-floor ratios (warehouses, retail outlets, etc.). A cool roof can reduce peak cooling demand by 40%, delivering an average energy savings from 7 – 15% according to The Cool Roof Rating Council.



KEY UPDATES OF SECTION 179D OF THE INTERNAL REVENUE CODE

- » Commercial and high-rise residential buildings (4 stories and above) are eligible for a deduction of up to \$5.00 per square foot
- » Deduction starts at 25% improvement over established baselines and maxes out at 50% on a sliding scale (see chart below)
- » Incentive is open to commercial building owners (including Real Estate Investment Trusts)
 - Deductions can be allocated by tax exempt entities (nonprofits and government building owners) to those with primary responsibility for the project design (architects, engineers, design and build contractors, etc.)

Project Type	Baseline	25% Improvement	50% Improvement	Minimum Age of Building
New Build ¹	DOE ASHRAE 90.1	Up to \$2.50/sq ft	Up to \$5.00/sq ft	N/A
Restoration ²	Current Energy Use Intensity	Up to \$2.50/sq ft	Up to \$5.00/sq ft	5 years

¹ Requires preparation of energy modeling for new construction.

² Requires Energy Use Intensity (EUI) measurements and retrofit plan by a licensed architect, engineer, or similar professional.

SOLUTIONS

Carlisle SynTec Systems offers the widest variety of energy-saving roofing products in the industry. Carlisle's lightweight, cost-effective polyisocyanurate (polyiso) insulation products provide energy-efficient solutions for buildings in any region and climate, as well as outstanding return on investment and significant energy savings. Carlisle's highly reflective Sure-Weld® TPO, Sure-Flex™ PVC, Sure-Flex KEE HP, and Sure-White® EPDM membrane solutions offer highly reflective performance.

Carlisle has a sustainable roofing system for any project, and each system has a corresponding line of labor-saving accessories for faster installations and less wasted material. For more information, call 800-479-6832 or visit www.carlislesyntec.com.

References:

Inflation Reduction Act Guidebook: <https://www.whitehouse.gov/cleanenergy/inflation-reduction-act-guidebook/>

Assessment of Energy Technologies and Research Opportunities - Chapter 5: Increasing Efficiency of Building Systems and Technologies: <https://www.energy.gov/sites/prod/files/2017/03/f34/qtr-2015-chapter5.pdf>

ICF Insulation Industry Opportunity Study: https://cdn.ymaws.com/www.polyiso.org/resource/resmgr/report/insulation_industry_opportun.pdf