Sustainable Building Tax Credits

Creating a Green Infrastructure

Sustainable Building Tax Credit (SBTC)

- New construction or major renovation
- Corporate or Personal Income Taxes
- Residential and Commercial
- Available through 2013
- Third-party verified
- Transferable

Why SBTC?

- **Stimulate green infrastructure**
  - Building professionals
  - Materials suppliers
  - Local manufacturers
- **Reduce greenhouse gas emissions**
  - Energy efficiency
  - Renewable energy

What is LEED?

- Lead – what we want our President to do
- Leeds – a city in Scotland
- LEED – a green rating system

Leadership in Energy and Environmental Design

What's in a Label?

What makes a *green* home?

LEED™ FOR HOMES

ENERGY STAR

build green nm

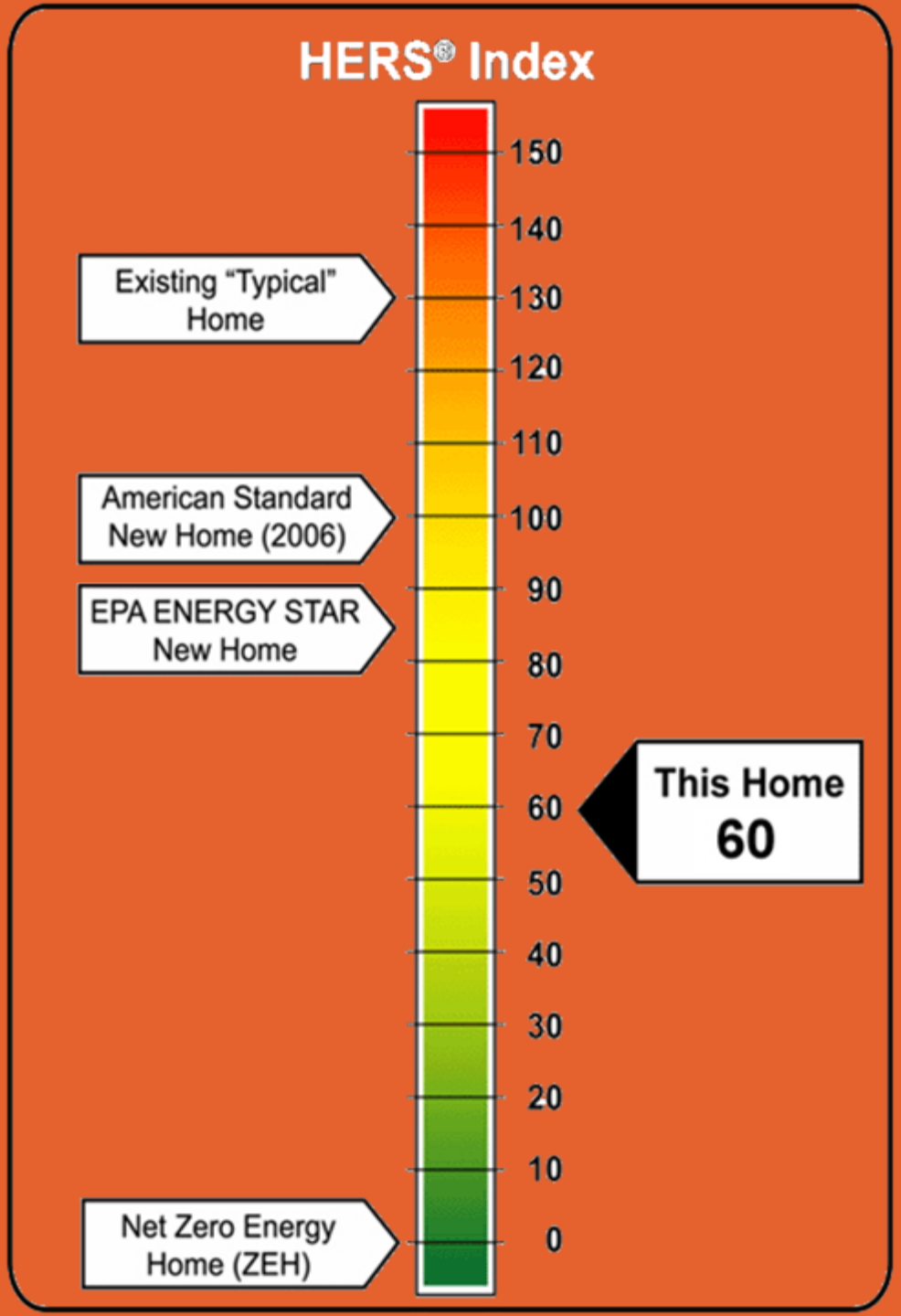
Preserving New Mexico's environment and ensuring a sustainable future through smart home building and buying guidelines

HERS®

Home Energy Rating System

HERS

- A HERS Index of 100 represents the energy use of the "American Standard Building"
- an Index of zero indicates that the proposed building uses no net purchased energy



SBTC - Residential

- Single family or multifamily
  - LEED-H or Build Green NM
  - HERS Index 60
- Manufactured Housing
  - ENERGY STAR

SBTC - Residential

- **$/SF based on level**
  - from $3.00/SF for ENERGY STAR manufactured home
  - to $9.00/SF for LEED-H Platinum or BGNM Emerald
- **Annual cap**
  - $5 million
  - $1.25 million for manufactured homes

	First 2,000 ft²	Next 1,000 ft²
BGNM		
LEED-H *Homes*		
Silver	$5.00/ft²	$2.50/ft²
Gold	$6.85/ft²	$3.40/ft²
Platinum	$9.00/ft²	$4.45/ft²
Manufactured *Homes*		
ENERGY STAR	Up to 3,000 ft²	$3.00/ft²

SBTC - Residential

Approved 09/2008

- 2,360 SF
- BGNM Gold
- Energy:
  - HERS: 59
  - Savings: 47,512 kBTU/year
- $9,720.00 tax credit

Calculation:

$9,000 1st 2,000 SF

720 next 360 SF

$9,720 tax credit

SBTC - Residential

Approved 09/2008

- 1,090 SF
- LEED-H Gold
- Energy:
  - HERS: 58
  - Savings: 24,394 kBTU/year
- $7,466.50 tax credit

LEED® Facts

Artistic Homes
Hobbs

LEED for Homes
Certification 09/2008

Gold	71
Sustainable Sites/LL	16.5/33
Water Efficiency	8/15
Energy & Atmosphere	19.5/38
Materials & Resources	6.5/16
Indoor Environmental Quality	13/21
Innovation & Design	7.5/11

SBTC Residential Process

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

ENERGY CONSERVATION AND MANAGEMENT DIVISION

Home | Contact Us | Divisions | News

- Clean Energy Incentives
- Renewable Energy
- Energy Efficiency - Buildings
- Clean Fuels and Efficient Transportation
- Government Lead by Example
- Laws, Regulations, Executive Orders
- Multimedia
- Forms
- RFPs
- Useful Tools
- Links
- Upcoming Events
- US DOE State Energy Program
- ENERGY STAR

Energy Conservation and Management Division

Clean Energy Tax Incentives: Sustainable Building Tax Credit

ECMD Contact: Susie Marbury
(505) 476-3254
Susie.Marbury@state.nm.us

What Is the Sustainable Building Tax Credit?

The SBTC is an income tax credit to encourage private sector design and construction of energ buildings for commercial and residential use. The tax credit is based on third-party validation of sustainability. To certify a building, it is crucial to understand the certification requirements building. Use the quick link reference below to find the information you need.

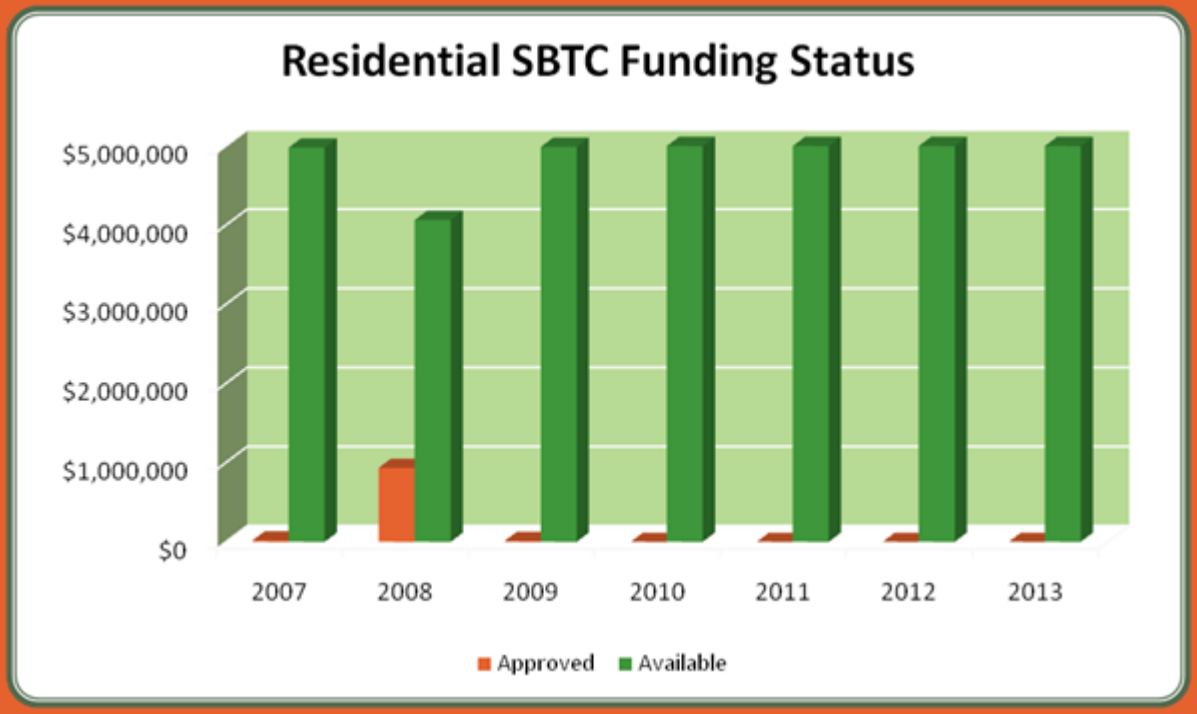
Quick Links for SBTC			
Requirement	**Reference**	**Resource**	**Website**
Commercial			
50% energy reduction through 2010; 60% energy	Target Finder	EPA	www.energystar.gov

www.CleanEnergyNM.org

1 – 2 – 3 – 4 – 5

- Choose rating system
- Create your team
  - Designer
  - Contractor
  - HERS rater
  - Green rater
  - Verifier
- Design to sustainable goals
- Certify project
- Submit SBTC Application

Residential Funding Status



2007

- $19,325 – approved

2008

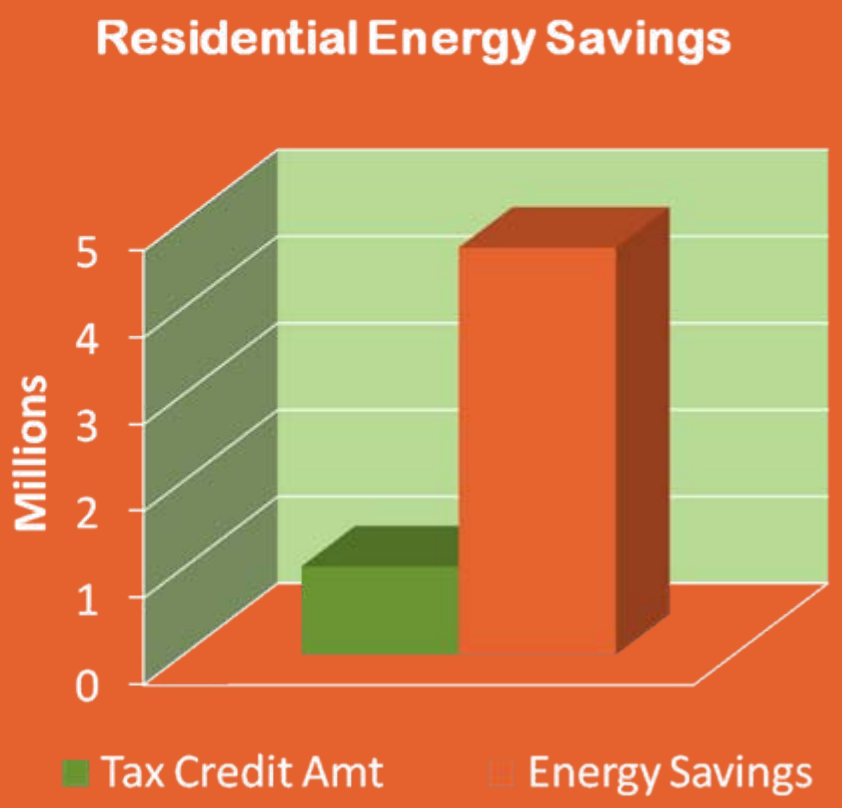
- $944,430 – approved

2009

- $11,412 – approved

Residential Credits To-date

- 2 homes in 2007
- 100 homes in 2008
- Homes in 10 counties across state
- Homes ranging from 885 SF to 5,067 SF
- 14 Custom and 84 production homes



LEED for Commercial

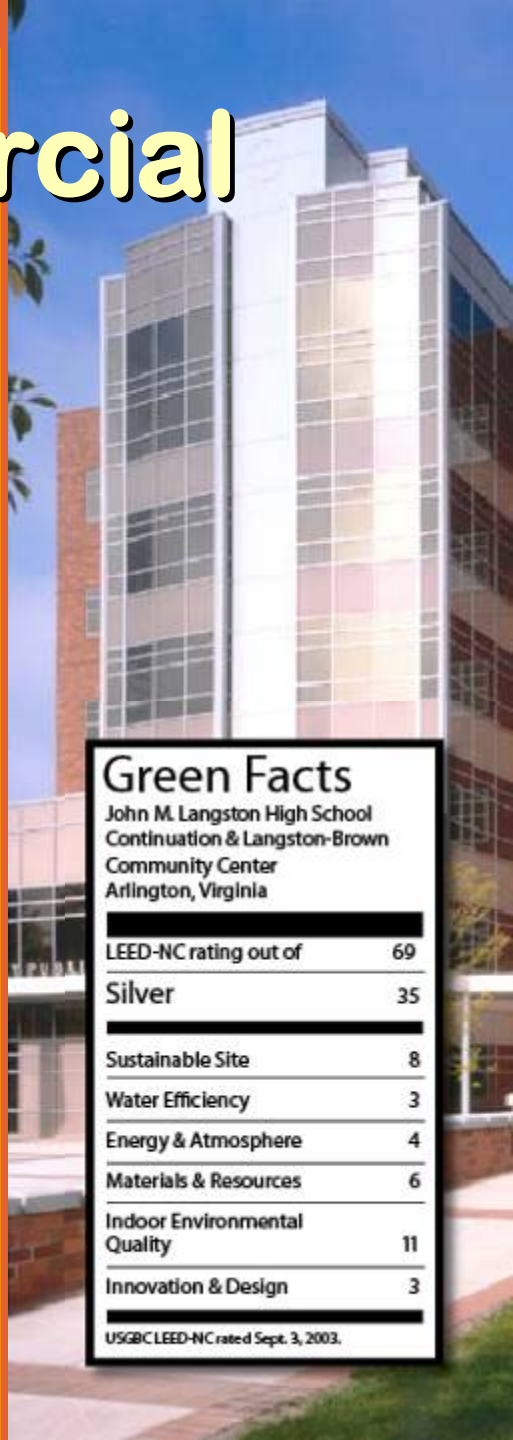
LEADERSHIP in ENERGY and ENVIRONMENTAL DESIGN

A leading-edge system for certifying DESIGN, CONSTRUCTION, & OPERATIONS of the greenest buildings in the world

Scores are tallied for different aspects of efficiency and design in appropriate categories.

For instance, LEED assesses in detail:

1. Site Planning
2. Water Management
3. Energy Management
4. Material Use
5. Indoor Environmental Air Quality
6. Innovation & Design Process



SBTC - Commercial

- **Based on LEED**
  - NC, EB, CS, CI
  - 50% energy reduction from CBECS
  - 60% beginning 2012
    - **Silver**
    - **Gold**
    - **Platinum**

SBTC - Commercial

- $/SF based on level
  - from $1.40/SF for LEED CI Silver
  - to $6.25/SF for LEED NC Platinum
- Annual cap
  - $5 million

REQUIREMENTS FOR COMMERCIAL BUILDINGS

- LEED® Silver, Gold or Platinum certification
- Energy reduction, based on national average for similar building type: 50% through 2010, 60% from 2011 through 2013
- Enhanced commissioning, where applicable
- Applies to new construction and renovation of existing buildings

	First 10,000 ft²	Next 40,000 ft²	Next 450,000 ft²
LEED-NC *New construction*			
Silver	$3.50/ft²	$1.75/ft²	$0.70/ft²
Gold	$4.75/ft²	$2.00/ft²	$1.00/ft²
Platinum	$6.25/ft²	$3.25/ft²	$2.00/ft²
LEED-EB/CS *Existing building/Core and shell*			
Silver	$2.50/ft²	$1.25/ft²	$0.50/ft²
Gold	$3.35/ft²	$1.40/ft²	$0.70/ft²
Platinum	$4.40/ft²	$2.30/ft²	$1.40/ft²
LEED-CI *Commercial interiors*			
Silver	$1.40/ft²	$0.70/ft²	$0.30/ft²
Gold	$1.90/ft²	$0.80/ft²	$0.40/ft²
Platinum	$2.50/ft²	$1.30/ft²	$0.80/ft²

Sigler Office and Warehouse

Sigler Office and Warehouse

- Approved 09/2008
  - 66,908 SF
  - Energy:
    - Target: 27.8 kBTU/SF/year
    - Model: 23.3 kBTU/SF/year
    - Savings: 2,159 kBTU/year
  - $116,835.60

LEED® Facts

Sigler Office & Warehouse
Albuquerque

LEED for New Construction
Certification June 2008

Silver	33
Sustainable Sites	5/14
Water Efficiency	4/5
Energy & Atmosphere	7/17
Materials & Resources	4/13
Indoor Environmental Quality	8/15
Innovation & Design	5/5

Los Alamos National Bank

Los Alamos National Bank

- Requested 06/2008
  - 12,000 SF
  - Energy:
    - Target: 39.8 kBTU/SF/year
    - Savings: 478 kBTU/year
  - $51,500.00

LEED® Facts

Los Alamos National Bank
Santa Fe

LEED for New Construction Certification 2009	
Gold	40
Sustainable Sites	8/14
Water Efficiency	4/5
Energy & Atmosphere	9/17
Materials & Resources	4/13
Indoor Environmental Quality	12/15
Innovation & Design	3/5

Thornburg Campus

Thornburg Campus

Thornburg Campus

- Requested 08/2008
  - 100,175 SF
  - Energy:
    - Target: 44.2 kBTU/SF/year
    - Savings: 4,428 kBTU/year
  - $177,675.00

LEED® Facts

Thornburg Campus
Santa Fe

LEED for New Construction Certification 2009	
Gold	44
Sustainable Sites	9/14
Water Efficiency	4/5
Energy & Atmosphere	8/17
Materials & Resources	5/13
Indoor Environmental Quality	15/15
Innovation & Design	3/5

Environmental Dynamics

Environmental Dynamics

- Requested 08/2008
  - 7,258 SF
  - Energy:
    - Target: 32.0 kBTU/SF/year
    - Savings: 232 kBTU/year
  - $34,475.00

LEED® Facts

Environmental Dynamics, Inc.
Albuquerque

LEED for New Construction Certification 2008	
Gold	46
Sustainable Sites	8/14
Water Efficiency	4/5
Energy & Atmosphere	12/17
Materials & Resources	8/13
Indoor Environmental Quality	9/15
Innovation & Design	5/5

Mesa del Sol Town Center

Mesa del Sol Town Center

- Requested 08/2008
  - 80,013 SF
  - Energy:
    - Target: 48.9 kBTU/SF/year
    - Savings: 3,913 kBTU/year
  - $90,006.50

LEED® Facts

Mesa del Sol Town Center
Albuquerque

LEED for Core and Shell Certification 2009	
Silver	32
Sustainable Sites	8/15
Water Efficiency	3/5
Energy & Atmosphere	7/14
Materials & Resources	5/11
Indoor Environmental Quality	6/11
Innovation & Design	3/5

Hotel Andaluz

Hotel Andaluz

- Requested 10/2008
  - 109,688 SF
  - Energy:
    - Target: 53.0 kBTU/SF/year
    - Savings: 5,814 kBTU/year
  - $187,198.00

LEED® Facts

Hotel Andaluz
Albuquerque

LEED for New Construction Certification 2009	
Gold	44
Sustainable Sites	10/14
Water Efficiency	4/5
Energy & Atmosphere	11/17
Materials & Resources	5/13
Indoor Environmental Quality	9/15
Innovation & Design	5/5

Hope Plaza

Hope Plaza

- Requested 2/2009
  - 21,836 SF
  - LEED-CS Silver
  - Energy:
    - Target: 38.6 kBTU/SF/year
    - Savings: 5,814 kBTU/year
  - $39,795.00

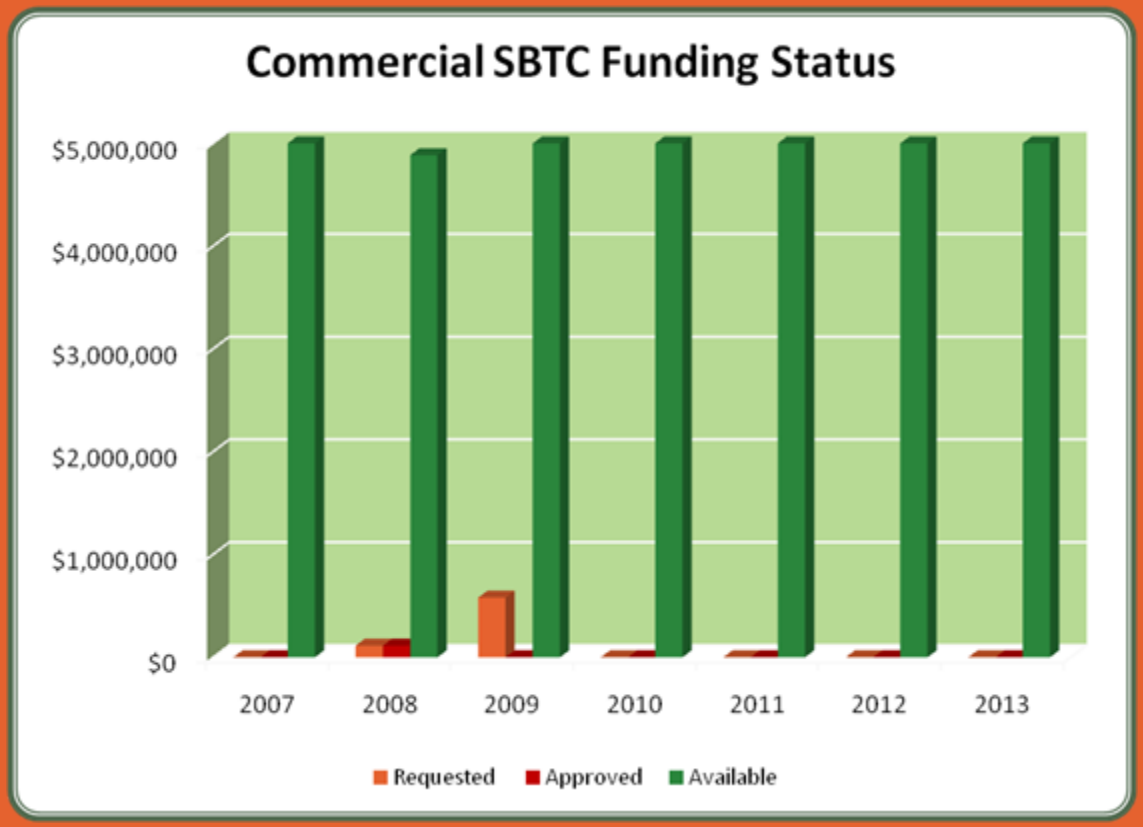
LEED® Facts

Hope Plaza
Albuquerque

LEED for Core and Shell
Certification April 2009

Silver	30
Sustainable Sites	6/15
Water Efficiency	3/5
Energy & Atmosphere	6/14
Materials & Resources	4/11
Indoor Environmental Quality	6/9
Innovation & Design	5/5

Commercial Funding Status



- 2007
  - $117k - requested
- 2008
  - $117k - approved
  - $35k - requested
- 2009
  - $527k – requested

Commercial Application Process

- 2 step process
  - Request at LEED registration
  - Application at building completion

State of New Mexico - Energy, Minerals and Natural Resources Department
1220 S. St. Francis Dr., Santa Fe, NM 87505 – www.cleanenergynm.org – 505.476.3310

SBTC Request Form - Commercial

Sustainable Building Tax Credit for **Commercial** Buildings
3.3.30 and 3.4.17 New Mexico Administrative Code (NMAC)

Project No.
C- -R

For department use only
Form version date: 05/28/2008

* indicates required information * indicates only applies to Corporate Tax filing

Applicant Information

* Applicant Name	
* Mailing Address	
* Telephone	
* Authorized	

State of New Mexico - Energy, Minerals and Natural Resources Department
1220 S. St. Francis Dr., Santa Fe, NM 87505 – www.cleanenergynm.org – 505.476.3310

SBTC Application Form - Commercial

Sustainable Building Tax Credit for **Commercial** Buildings
3.3.30 and 3.4.17 New Mexico Administrative Code (NMAC)

Project No.
* C- -A

Enter Project No. assigned on SBTC Request Form.
Form version date: 5/28/2008

* indicates required information * indicates only applies to Corporate Tax filing

Applicant Information

* Applicant Name		* Tax Filing:	
* Mailing Address		Corporate Tax Personal Tax	☐ ☐
* Telephone		* Taxpayer ID	
* Authorized			

SBTC Request Process

- At time of LEED registration
- Must know:
  - Legal description of property
  - SF of project
  - Energy goal
  - LEED level attempting
  - Estimated completion date

State of New Mexico - Energy, Minerals and Natural Resources Department
1220 S. St. Francis Dr., Santa Fe, NM 87505 – www.cleanenergynm.org – 505.476.3310

SBTC Request Form - Commercial

Sustainable Building Tax Credit for **Commercial** Buildings
3.3.30 and 3.4.17 New Mexico Administrative Code (NMAC)

Project No.
C- -R

For department use only
Form version date: 05/28/2008

* indicates required information * indicates only applies to Corporate Tax filing

Applicant Information

* Applicant Name		* Tax Filing:	Corporate Tax ☐ Personal Tax ☐
* Mailing Address			
* Telephone		* Taxpayer ID	
* Authorized Representative		CONFIDENTIAL	
Contact		** Taxable Year End (MM/DD)	
Contact Phone	Email		

Project Information

Project Address		* Qualified Occupied Square Footage	
* County			
* Legal Description		* Rating System:	LEED-NC ☐ LEED-EB ☐ LEED-CS ☐ LEED-CI ☐
		* Anticipated Certification Level:	Silver ☐ Gold ☐ Platinum ☐
* Energy Target	kBtu/SF/year	* Basis of Energy Target	Target Finder ☐ Alternative Method ☐
* Estimated Energy Sources	--- % 0.00 kBtu/SF/year --- % 0.00 kBtu/SF/year --- % 0.00 kBtu/SF/year --- % 0.00 kBtu/SF/year	* Estimated Date of LEED Certification	

Applicant Agreement

The applicant, or authorized representative, named above and signing this statement agrees that all information provided in this request package is true and correct to the best of the applicant's knowledge. The applicant has read the certification requirements of 3.3.30 or 3.4.17 NMAC. The applicant understands that there are annual aggregate state tax credit limits in place for the sustainable building tax credits and that the division's acceptance of this tax credit request package in no way guarantees that the applicant will receive a certificate of eligibility. Furthermore, the applicant understands that this tax credit request will expire 30 days after the estimated date of LEED certification entered above unless:

a) the applicant files an application with the division for this project; or

b) the applicant notifies the division, in writing, of a new estimated LEED certification date.

If this tax credit request expires, a new tax credit request is required to apply for the sustainable building tax credit.

* Applicant Signature	* Date

SBTC Request Process

TARGET FINDER

PRINT | FREQUENTLY ASKED QUESTIONS | CONTACT US | HELP

Return to ENERGY STAR Web site > Target Finder

Target Finder

1

* REQUIRED

Select a target rating and/or compare your Design Energy to the target.

1. Facility Information

*Zip Code 87104 Facility Name My Office

City Albuquerque State New Mexico

2. Facility Characteristics

*Select Space Typ

[Space Types]

2

[Space Types]
[Space Types]
--- Primary Space Types ---
Office
K-12 School
Hotel
Medical Office
Residence Hall/Dormitory
Supermarket/Grocery
Warehouse (Refrigerated)
Warehouse (Unrefrigerated)
Courthouse
Bank/Financial Institution
Retail
--- Secondary Space Types ---
Other
Multifamily Housing
Computer Data Center
Parking
Swimming Pool

TARGET FINDER

PRINT | FREQUENTLY ASKED QUESTIONS | CONTACT US | HELP

Return to ENERGY STAR Web site > Target Finder

Retail Gross Floor Area must be greater than or equal to 5000

Target Finder

* REQUIRED

Select a target rating and/or compare your Design Energy to the target.

1. Facility Information

*Zip Code 87701 Facility Name My Office

City Las Vegas State New Mexico

2. Facility Characteristics

*Select Space Type(s) for this project.

[Space Types]

Retail Delete

2. Facility Characteristics

*Select Space Type(s) for this project.

[Space Types]

3

Office Delete

*Gross Floor Area	*Weekly operating hours	*Workers on Main Shift	*Number of PCs	*Office Air-Conditioned	*Office Heated
Sq. Ft.	Hours			50% or more	50% or more

Use results from energy analysis and enter total estimated energy for the design. Select "**View Results**" to compare Estimated Energy Use to your Target.

Energy Source	Units	Estimated Total Annual Energy Use[2]	Energy Rate ($/Unit)
Electricity	MWh		$ /MWh
[Select Energy Source]			$ /

[1]"Target Rating" uses the EPA energy performance rating of 1-100. 75 or higher denotes ENERGY STAR. An "Energy Reduction Target" is the percent reduction from the average energy consumption of a similar building, or an equivalent EPA rating of 50. Selecting a 50% (or higher) reduction target is acceptable for setting Architecture 2030 and AIA Sustainable Practice goals.
[2]Annual Energy Use – the fuel mix percentage is determined from DOE-EIA. The Electric % is typical of the area designated by zip code. Natural gas is used as 2nd energy source. The defaults for percentage of energy use by fuel type will be displayed at top of Results page.

Clear Form | View Results

4

SBTC Request Process

TARGET FINDER

PRINT | FREQUENTLY ASKED QUESTIONS | CONTACT US | HELP

Return to ENERGY STAR Web site > **Target Energy Performance Results**

Target Energy Performance Results

The design **must** achieve a rating of 75 or higher to be eligible for "Designed to Earn the ENERGY STAR". **View Statement of Energy Design Intent** for project summary.

View

NOTE: Assumptions are 75% electricity and 25% % Natural Gas. The Target & Top 10% energy use for this facility are calculated based on the typical fuel mix in the zip code specified.

Target Energy Performance Results (estimated)

Energy	Design	Target	Top 10%
Energy Performance Rating (1-100)	N/A	92	90
Energy Reduction (%)	N/A	50	47
Source Energy Use Intensity (kBtu/Sq. Ft./yr)	N/A	152.1	162.3
Site Energy Use Intensity (kBtu/Sq. Ft./yr)	N/A	54.9	58.6
Total Annual Source Energy (kBtu)	N/A	3,801,728.3	4,057,213.6
Total Annual Site Energy (kBtu)	N/A	1,371,803.5	1,463,991.9
Total Annual Energy Cost ($)	N/A	$ 26,570	$ 28,356

Site Energy Use Intensity (kBtu/Sq. Ft./yr)	N/A	54.9

Facility Information Edit

My Office
Las Vegas, NM 87701
United States

Facility Characteristics Edit

Space Type	Gross Floor Area (Sq. Ft.)
Retail	5,000
Office	20,000
Total Gross Floor Area	25,000

Estimated Design Energy Edit

Energy Source	Units	Estimated Total Annual Energy Use	Energy Rate ($/Unit)
Electricity	kBtu	N/A	$ 0.022/kBtu
Natural Gas	kBtu	N/A	$ 0.010/kBtu

Source: Data adapted from DOE-EIA. See EPA Technical Description.

SBTC Application Process

- After certification awarded
- Must provide:
  - Address & Legal description of property
  - SF of project
  - Energy model
  - LEED level achieved

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1220 S. St. Francis Dr., Santa Fe, NM 87505 — www.cleanenergynm.org — 505.476.3310

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* Applicant Name		* Tax Filing:	
* Mailing Address		Corporate Tax	☐
		Personal Tax	☐
* Telephone		* Taxpayer ID	
* Authorized Representative		CONFIDENTIAL	
Contact		** Taxable Year End (MM/DD)	
Contact Phone	Email		

Project Information

Project Address		* Qualified Occupied Square Footage	
* County			
* Legal Description		* Rating System:	
		LEED-NC	☐
		LEED-EB	☐
		LEED-CS	☐
		LEED-CI	☐
		* Anticipated Certification Level:	
		Silver	☐
		Gold	☐
		Platinum	☐
* Energy Target	kBtu/SF/year	* Basis of Energy Target	
		Target Finder	☐
		Alternative Method	☐
* Estimated Energy Sources	--- % 0.00 kBtu/SF/year	* Estimated Date of LEED Certification	
	--- % 0.00 kBtu/SF/year		
	--- % 0.00 kBtu/SF/year		
	--- % 0.00 kBtu/SF/year		

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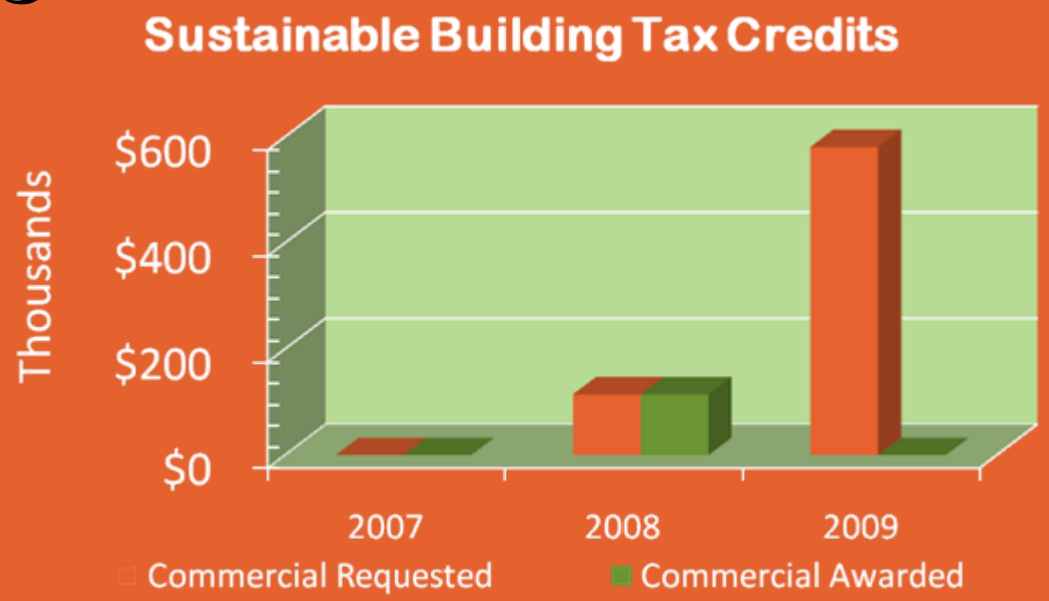
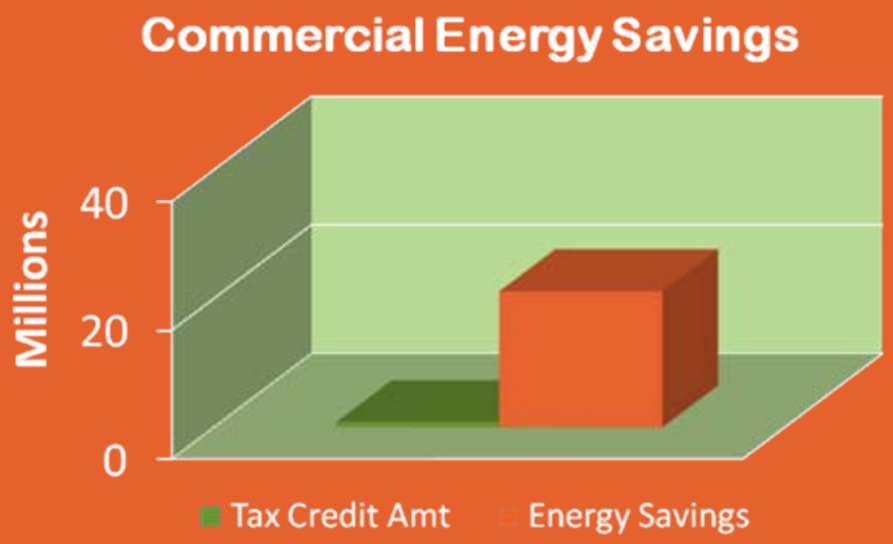
If this tax credit request expires, a new tax credit request is required to apply for the sustainable building tax credit.

* Applicant Signature	* Date

Commercial Credits/Requests To-date





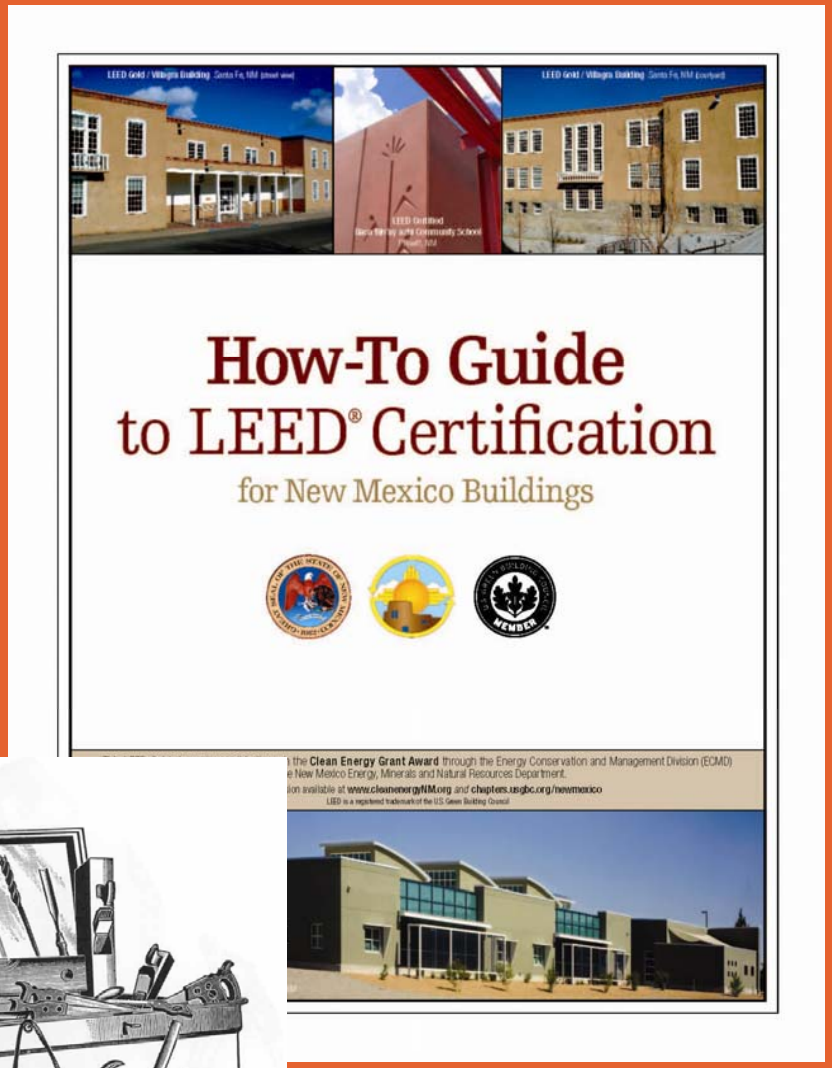
2009 Changes to SBTC

Effective 6/30/2009

- **Clean up**
  - Include nonprofits
  - Grace period after year-end
- **Residential Changes**
  - Calibrate BGNM & LEED
  - Manufactured housing built out-of-state
  - Modular homes
  - Expands multi-housing potential

Green Building Professionals Education

- Toolkit
- Builds on How-to Guide
- Self-paced or Facilitated
- 4 Modules
  - Green Building Basics
  - Project Teams
  - Design Professionals
  - Contractors & Subs



Solar Market Development Tax Credit – Then…

- PV or Solar thermal systems
- Homeowners, business owners and agricultural enterprises
- Available till 2015
- 30% of cost of system above $2,000 federal cap
- Stimulate solar industry
- Annual cap
  - $3 million PV and $2 million solar thermal

Solar Market Development Tax Credit – Now

- PV or Solar thermal systems
- Homeowners, business owners and agricultural enterprises
- Available till 2016
- 10% of cost of system
- Stimulate solar industry
- Annual cap
  - $3 million PV and $2 million solar thermal

SBTC & Solar Tax Credit

- Can't use same system to get both
- To get both credits:
  - Get HERS index & rating without counting solar
  - Then add solar

Solar Gross Receipts Tax Exemption

- Tax deduction for businesses
  - Sale and installation
  - Solar panels
  - Dark color water tank
  - Non-vented trombe walls

Trombe Wall

Geothermal Ground-Coupled Heat Pump Tax Credit – New

- Ground-coupled heat pump systems
- Personal or Corporate Income Tax Credit
- Available 2010 – 2020
- 30% of cost of system up to $9,000
- Stimulate renewables industry
- Annual cap
  - $2 million

American Recovery & Reinvestment Act

- Provides funding to New Mexico:
  - under the State Energy Program (SEP)
  - the new Energy Efficiency Conservation Block Grant Program (EECBG)
  - the Appliance Rebate Program (ARP)
- Approximately $38 million
- ECMD Program plans due prior to funding
- Competitive solicitations for projects, as early as April
- Projects selected as early as May
- Preference to projects shovel-ready by June 17, 2009

Thank You

Susie Marbury
Energy, Minerals, & Natural Resources Department
505.476.3254
susie.marbury@state.nm.us