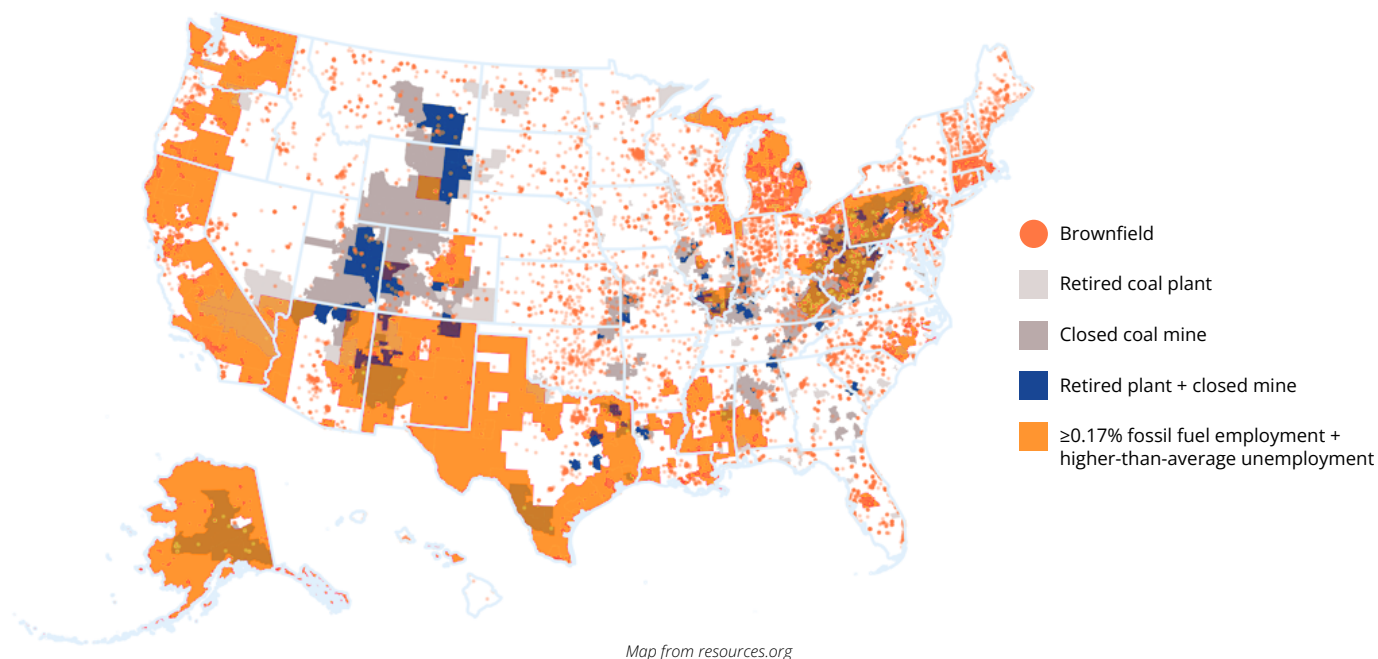


The Inflation Reduction Act

Select Energy Communities Qualify for a 10% Tax Incentive Bonus

For specific energy communities, the Inflation Reduction Act offers an additional 10% tax reduction on top of the 30% tax credit for clean energy projects.

Energy Communities as Defined by the Inflation Reduction Act



The [Inflation Reduction Act \(IRA\)](#) is here, accelerating the energy transition and posing limited-time financial opportunities for companies across the U.S. The IRA offers a variety of tax incentives to encourage clean energy projects, including microgrids, with a 30% investment tax credit for projects that start before the end of 2024. These credits apply for technologies including [cogeneration](#), [solar](#), [battery storage](#), wind, microgrid controllers, micro turbines, fuel cells, and [biogas](#).

Beyond the base 30% credit, additional 10% bonuses are available for sites located in specific energy communities, as defined by the IRA. The goal is to give these targeted communities additional support in transitioning to a cleaner, greener energy future. About half of the U.S. qualifies for this additional 10% credit, giving many facilities a financial boost as they transition to cleaner energy.

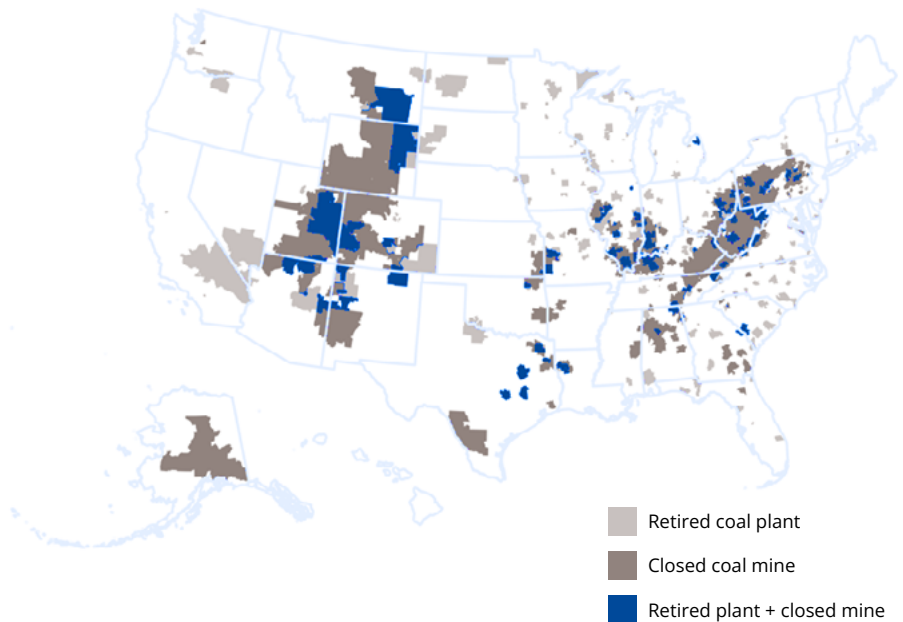


What Qualifies as an Energy Community?

The IRA sets out [guidelines](#) that define three types of areas qualified to receive this additional 10% tax bonus. Note that even if a facility is located in more than one of these areas, the bonus only applies once.

Coal Communities

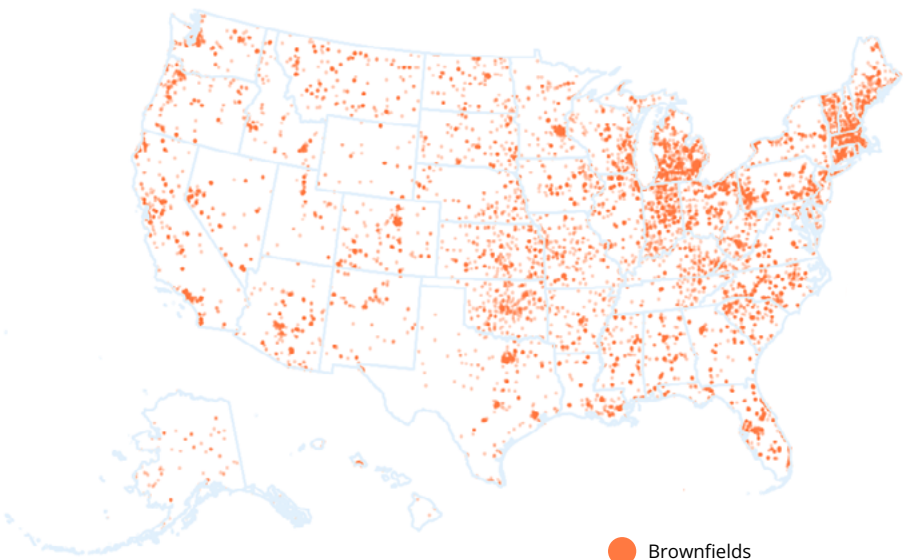
These are areas, technically “census tracts,” where either a coal-fired power plant has closed since Dec 31, 2009, or a coal mine has closed since Dec 31, 1999. Hundreds of plants and mines have closed in the past two decades, and the IRA’s push toward clean energy may accelerate the pace of closings. Because census tracts are fairly large areas, land that qualifies as coal communities covers about 20% of the total U.S. area, primarily in the Great Plains and the Midwest.



Map from [resources.org](#). Data sources: U.S. Energy Information Administration, U.S. Mine Safety and Health Administration

Brownfields

Brownfields consist of contaminated land, typically small sites, that are eligible for cleanup and redevelopment funding as designated by the U.S. EPA, though this excludes superfund sites. There are about 25,000 brownfield sites across the country, but because they are small sites they only cover a fraction of U.S. land. The highest concentration of these sites is in the Midwest and Northeast.



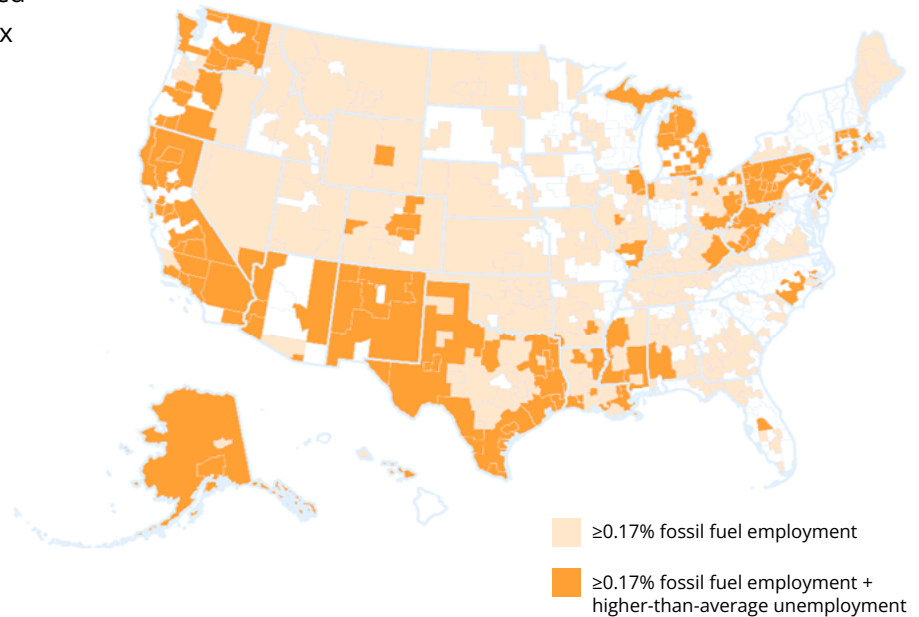
Map from [resources.org](#). Data sources: U.S. Environmental Protection Agency

Employment & Tax Revenue Qualified Areas

This category refers to metropolitan or non-metropolitan statistical areas that have either 0.17% or greater direct employment or 25% or greater local tax revenues related to the fossil fuel industry. Although this tax information can be complicated to verify, this first qualification may apply to some 80% of U.S. land areas.

That said, the community must also meet the second qualification, which is an unemployment rate that is at or above the national average unemployment rate for the previous year. (There is some ambiguity in this requirement, given that unemployment rates change each year.)

Combining the above qualification and an average unemployment rate of 5.3%, [Resources for the Future](#) estimates that this category describes about 39% of U.S. land. This includes key states like Texas, New Mexico, West Virginia, Pennsylvania, and Michigan.



Act Now with Unison Energy

Unison Energy can help companies demystify the Inflation Reduction Act's policies and processes, so you can take advantage of this limited-time opportunity. We can assess your site and recommend a microgrid solution that maximizes the financial benefit for your facility, including the 10% bonus if your site qualifies.

Unison Energy provides custom turnkey microgrid solutions: we design, build, operate, and maintain the system, with no capital required. With the passage of the IRA, the time for facilities to join the energy transition is today.

Unison Energy's microgrids help companies lock in lower energy costs, energy resiliency, and reduced carbon footprints. Get in touch at sales@unisonenergy.com to learn more.