



ENERGY POLICY ACT of 2005

As signed by the President on August 8, 2005

The New Energy Bill gives Tax Deductions for Energy Efficiency Construction and Renovation

Effective Dates: January 1, 2006 to December 31, 2007

No Limit on Size of Facility or Amount of Deduction.

Incentives Available per S.F.: Lighting - \$0.60, HVAC - \$0.60, Envelope - \$0.60

Benchmarked off ASHRAE for Building Types. (Warehouse, Office, Gymnasium, Office etc.)

Must Reduce Energy on a Connected Load, Watts Consumed per Square Foot Basis.

On/Off Time is Not a Factor

Step	ACT Requirements	Step	Example (A 100,000 S.F. Warehouse)
1	Identify Building Type	1	Warehouse (According to ASHRAE Standard)
2	ASHRAE 90.1 Watts/Square Foot (Standard)	2	1.2 Watts/Square Foot for Lighting
3	Must Reduce ASHRAE 90.1 by 50%	3	0.6 Watts/Square Foot for Lighting
4	Square Footage of Project	4	100,000 Square Feet
5	Number of New Fixtures	5	200 Fixtures (Average 500 S.F./Fixture)
6	Wattage of New Fixture	6	234 Watts (MIRROR, MXT-5, 4 Lamp)
7	Total Space Wattage	7	46,800 Watts (Step 5 x Step 6)
8	New Wattage/Square Foot	8	0.468 Watts/S.F. (Step 7/Step 4)
9	Is Step 6 at or below 50% of ASHRAE 90.1 (3) If Yes Proceed to Step 10. If No Select another system	9	Yes (Step 8 is below Step 3)
Tax Deduction Calculation			
10	Tax Deduction Incentive Can deduct up to \$0.60 per Square Foot of Project	10	\$ 60,000 (Step 4 x \$0.60)
11	Total Cost of Lighting Renovation Project	11	\$ 50,000 (Step 5 x Estimate \$250)
12	Deduction is limited to \$0.60/S.F. or Cost of Project. Whichever is less. The Lesser, Step 10 or Step 11.	12	\$ 50,000 (Step 11 is less than Step 10)

This is a brief summary of the ENERGY POLICY ACT of 2005 and is intended to be basic information only. Please consult your Tax Advisor for specific details.