



# Solar Santa Monica

## Money-Saving Ideas for Hot Water Heating

May 12, 2010

Water heating may account for 14 to 25% of your monthly utility bill! Replacing an old, inefficient water heater with a new, efficient one – or a new, efficient solar-powered model -- can make a difference. Right now, there are a number of ways you can get that new hot water system more cheaply.

Be sure to check on Qualifications:

- All these incentives require “qualified” systems, that is, heaters that meet certain efficiency standards. Not all ENERGY STAR products qualify for a rebate or tax credit.
- Some incentives require that the new water heater be at your personal residence. If you want to install a heater in a second residence, or in a rental property, check with your tax preparer.
- Pool and spa heating do not qualify for any of these incentives, although switching to solar heating for your pool may be an excellent investment even without a rebate.

### Solar Hot Water Heaters

#### California Solar Thermal Rebate

- Up to \$1,875 for solar replacing a gas water heater; up to \$1,250 for electric. (Propane not eligible.)
- Amount of rebate depends on size of heater.
- Equipment must be certified by the Solar Rating and Certification Corporation.
- \$350 million allocated; good through 2017 or until the money runs out.
- Incentives will decrease in four steps over time.
- Get application online at: [www.csithermal.com/](http://www.csithermal.com/)

#### Federal Solar Investment Tax Credit

- 30% of cost, no upper limit.
- Equipment must be certified by Solar Rating and Certification Corporation or by comparable entity endorsed by California.
- At least half the energy used to heat the dwelling's water must be from solar.
- Existing home or new construction.

- Expires: December 31, 2016.
- Apply using tax form 5695.

### Conventional (non-solar) Hot Water Heaters, Including Tankless Water Heaters

#### Federal Investment Tax Credit

- 30% of installed cost up to \$1,500.
- Part of 2-year program that expires December 31, 2010.
- Counts with other energy efficiency improvements for a one-time maximum tax credit per household of \$1,500. That is, you can spend up to \$5,000 for approved energy efficiency products, in 2009 and 2010, and get \$1,500 back as a tax credit.\*
- Equipment must have Energy Factor  $\geq 0.82$  OR a thermal efficiency of at least 90%. Not all Energy Star equipment qualifies.
- Existing home; new construction does not qualify.
- Apply using tax form 5695.

\* Other energy improvements that may be counted within the 2-year, \$1,500 energy efficiency tax credit program: Heating, A/C, insulation, windows & doors, roofs.

For more information on the California Solar Thermal rebates:

#### **California Solar Initiative -Thermal Program**

Website: [www.gosolarcalifornia.org/solarwater/](http://www.gosolarcalifornia.org/solarwater/)

#### **Southern California Gas Company**

Email: [CSIThermalProgram@SoCalGas.com](mailto:CSIThermalProgram@SoCalGas.com)

Website: [www.socalgas.com/rebates/solar/](http://www.socalgas.com/rebates/solar/)

#### **Southern California Edison**

Email: [CSIGroup@sce.com](mailto:CSIGroup@sce.com)

Website: [www.sce.com/csithermal](http://www.sce.com/csithermal)

To find a solar thermal contractor :

[www.solarsantamonica.com](http://www.solarsantamonica.com) – “Find Contractors”

For assistance in comparing bids:

Call Solar Santa Monica at (310) 458-4992 or email [dlowell-britt@ecomotion.us](mailto:dlowell-britt@ecomotion.us)