



January 2008

Energy Policy Act of 2005: Tax Credits for Residential Geothermal Heating & Cooling Equipment

WaterFurnace International certifies the following information related to certain tax credits outlined in the Energy Policy Act of 2005:

1. Certification Entity:

Air Conditioning & Refrigeration Institute (ARI)
4100 North Fairfax Drive, Suite 200
Arlington, VA 22203

2. Qualifying Products:

When placed in service between January 1, 2006 and December 31, 2007 (1-year Extension Pending Legislation), WaterFurnace brand models listed below may meet the qualifications for a tax credit of \$300. Qualifying units must have a minimum 14.1 EER and 3.3 COP when installed in closed loop (GLHP) applications, and 16.2 EER and 3.6 COP when installed in open loop (GWHP) applications as rated under ARI category 13256-1. All units must have a desuperheater or integrated water heating.

| <u>Models/Sizes</u> | GLHP | GWHP |
|--|-------------|-------------|
| Envision Series: N022 - N072 | Yes | Yes |
| Envision Split: NZ022 - NZ072 | Yes | Yes |
| E Series: E024 - E072* | Yes | Yes |
| EZ Split: EZ024 - EZ072 | Yes | Yes |
| ES Split: ES024 - ES072 | Yes | Yes |
| Premier: P022 - P066 | Yes | Yes |
| Premier Split: P022D - P056 | Yes | Yes |
| Versatec Vertical: V(L/X)024 - V(L/X)056 | No | Yes |

*E066 with PSC fan motor does not qualify.

Note: Due to the Company's policy of continuous improvement, product performance is subject to change at any time without notice.

For complete up-to-date performance ratings or to print Certificates, go to www.aridirectory.org.

WaterFurnace International recommends that consumers consult with a tax professional to determine the application of the tax credits outlined in the Energy Policy Act of 2005.

Builder/Contractor Energy Efficient Home Credit

Homebuilders and contractors who install geothermal equipment in their homes have a better chance of qualifying for a federal tax credit. Builders are eligible for a \$2,000 tax credit for energy efficient homes achieving a 50 percent higher energy savings than the 2004 International Energy Conservation Code (IECC) and supplements, and contractors are eligible for a \$1,000 credit for manufactured homes achieving an over 30% higher energy savings than the 2004 IECC and, or EPA requirements under the ENERGY STAR program. In addition, regular energy efficient homes are required to have 20 percent of the energy savings come from the building envelope, and 30 percent is required for manufactured homes. In order for these credits to apply, the home must be built in the U.S. after August 8, 2005, and used as a residence after December 31, 2005 and prior to January 1, 2009.

Indiana Program Features \$500,000 in Rebates

On Oct. 1, the Indiana Office of Energy & Defense Development rolled out a Geothermal Heat Pump Residential Rebate Program to promote the use of geothermal heating and cooling systems. The \$500,000 program offers rebates to homeowners who replace a traditional heating and cooling system.

The rebate program is being administered by the Indiana Office of Energy & Defense Development using U.S. Department of Energy funds as part of a program to increase the use of renewable energy in Indiana. The use of renewable energy is an integral part of the state's strategic energy plan, "Hoosier Homegrown Energy."

Homeowners wishing to apply for the rebate must do so online at www.energy.IN.gov. A list of guidelines and an application are available. The amount of

the rebate will be based on the size of the geothermal system installed, with a maximum of \$2,000 per installation. The program will be active until the \$500,000 fund is exhausted.

Southern Florida Co-op Offers Rebate Program

Gulf Power, the electric utility for Southern Florida, has sweetened the deal for geothermal heating and cooling systems by offering a rebate of \$400 per ton. The rebate is available for single-family residential, multi-family, or commercial developments. To qualify, the geothermal heat pump must meet the minimum efficiency of 13.0 EER at 86°F entering water temperature (ARI / ISO 13256-1 Performance Data) and water flow of 3.0 gallons per minute per ton. To find out more, call 1-877-655-4001 or visit www.gulfpower.com.

Oregon Offers Substantial Tax Credit

The state of Oregon is currently offering a tax credit for geothermal heating and cooling system installations that utilize a closed loop for heat transfer. See the table below to review the tax credit offering.

To qualify for this credit, the system must be designed to have the least effect on groundwater. It also must comply with Oregon Administrative Rules (OARs) 330-070-0025 and 330-070-0040 and achieve an efficiency level of 3.0 COP including the energy usage of the pump(s).

A tax credit-certified technician must verify the installation of the system for it to qualify for the tax credit. Visit the following link to the Oregon Department of Energy website, <http://egov.oregon.gov/ENERGY/CONS/RES/tax/HVAC-Renew.shtml>, for

information on the credits, a downloadable application form, and list of tax credit-certified technicians.

**Geothermal Heat Pump
Yield Table**

| System Tons | BTU per Hour Output | Estimated Savings | Tax Credit Amount |
|--------------------|----------------------------|--------------------------|--------------------------|
| 3 ton and under | Less than 40,000 | 1,000 kWh | \$600 |
| 4 ton | 40,000 - 49,999 | 1,165 kWh | \$700 |
| 5 ton | 50,000 - 64,999 | 1,335 kWh | \$800 |
| 6 ton and over | 65,000 and over | 1,500 kWh | \$900 |