

WI HYPOTHETICAL SCENARIO:

Combining IRA Funding with Xcel Energy Resources



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An Xcel Energy Community Collaboration

A couple filing jointly with a household income of \$200,000 who own their own 2,000 sq. ft. home served by Xcel Energy for electricity and natural gas.

This couple began their journey by signing up for a [home energy assessment](#) with an approved Focus on Energy trade ally. The assessment is eligible for 30% tax credit through the IRA (up to \$150), refunding the couple \$150.

\$500 (assessment cost) - \$150 (tax credit) = \$350 (total net cost)

Based on the recommendations from the report, they chose to make home weatherization improvements by paying a contractor \$4,000 for labor and \$4,000 for materials¹ to complete air sealing, attic insulation, and wall insulation. Through [Focus on Energy](#), they received \$1,650 in rebates for air sealing and wall and attic insulation. The IRA provides a [tax credit](#) for up to 30% of the material costs after rebates, capped at \$1,200 per year, providing a total of \$2,355 for their home weatherization project and savings on monthly energy costs!

\$8,000 (project cost) - \$1,650 (Focus on Energy rebates) - \$705 (federal tax credit) = \$5,645 (total net cost)

Next, they chose to replace their traditional air conditioner and gas furnace with an electric cold climate heat pump for space heating and cooling with electric resistance backup heating, costing them \$14,000². The couple received a \$1,000 [rebate](#) and the IRA [tax credit](#) for up to 30% of the project costs after rebates, capped at \$2,000 per year. While the couple may see an increase in their total energy bill in the winter months by switching from natural gas to electric heat, they will have reduced greenhouse gas emissions from their home.

\$14,000 (project cost) - \$1,000 (Focus on Energy rebate) - \$2,000 (federal tax credit) = \$11,000 (total net cost)

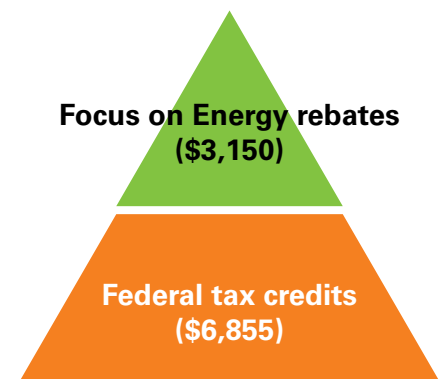
Finally, the couple installed rooftop solar on their home for \$15,000³, receiving a \$500 [rebate](#) from Focus on Energy and a [30% federal tax credit](#) off the project costs after rebates. They signed up for [Xcel Energy's Net Metering program](#) and receive payments for any excess energy they generate.

\$15,000 (project cost) - \$500 (Focus on Energy rebate) - \$4,000 (federal tax credit) = \$10,500 (total net cost)

In total, the couple received \$10,005, more than 5% of their annual household income, to help them implement projects that will improve the energy efficiency and thermal comfort of their home and earn money from the solar energy generated. These investments improved their home's value and created lasting community benefits including improved air quality and lower greenhouse gas emissions.

Disclaimer: *This is a hypothetical scenario based on estimated (not real) project costs highlighting a few of the many home energy projects that are available. Calculations are based on incentives as of January 1, 2024, which are subject to change. While we will continue to provide updates based on new information, new funding programs and guidance are being issued regularly so this may not reflect the situation for your home.*

Incentive Pyramid for Wisconsin Hypothetical Scenario



¹Cost estimate based on real home project in Summit County, CO from [High Country Conservation Center](#)

²Cost estimate from [Rewiring America](#)

³Cost estimate from [EnergySage](#)