

# HYPOTHETICAL SCENARIO:

## Combining IRA Funding with Xcel Energy Resources



**PARTNERS IN ENERGY**  
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 \$7,000<sup>1</sup> for air sealing, attic insulation, and wall insulation. The IRA provides a [tax credit](#) for up to 30% of the project costs for insulation and air sealing, capped at \$1,200 per year. Through [Focus on Energy](#), they also received \$1,650 in rebates for air sealing and wall and attic insulation, providing a total of \$2,850 for their home weatherization project and savings on monthly energy costs!

**\$7,000 (project cost) - \$1,200 (federal tax credit) - \$1,650 (Focus on Energy rebates) = \$4,150 (total net cost)**

Next, they chose to replace their traditional air conditioner and gas furnace with an electric heat pump air conditioner and heating system with updated electrical panels, costing them \$14,000<sup>2</sup>. The IRA provides a [tax credit](#) for up to 30% of the project costs for heat pumps and electrical panel upgrades, capped at \$2,600 per year for both. The couple combined this with a \$1,300 [rebate](#), resulting in a total cost of \$3,900 for the heat pump. While the couple may see a reduction 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) - \$2,600 (federal tax credit) - \$1,300 (Focus on Energy rebate) = \$10,100 (total net cost)**

Finally, the couple installed rooftop solar on their home for \$15,000<sup>3</sup>, receiving a [30% federal tax credit](#) and a \$500 [rebate](#) from Focus on Energy. They signed up for [Xcel Energy's Net Metering program](#) and receive payments for any excess energy they generate. **\$15,000 (project cost) - \$4,500 (federal tax credit) - \$500 (Focus on Energy rebate) = \$10,000 (total net cost)**

In total, the couple received \$11,900, more than 10% 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 September 1, 2023, 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.*

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

<sup>2</sup>Cost estimate from [Rewiring America](#)

<sup>3</sup>Cost estimate from [EnergySage](#)

### Incentive Pyramid for Wisconsin Hypothetical Scenario

