



2023 MAAESeptember 12, 2023

MI Legislation, Inflation Reduction Act (IRA), Impacts/Benefits to Airports

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Energy Efficiency



Building Automation



Engineering & Design



HVAC



Lighting



Smart Building



Construction Management



Distributed Energy



Building Envelope



Water & Wastewater



Electrical
Distribution & EV
Infrastructure



Analytics & Monitoring

What We Do

- No Cost Assessment of Facility & Operations
- Renewable Energy Solutions
- Turnkey Project Implementation

 Development, Mgt., Procurement & Implementation
- Optimize Financial Performance
 -Energy & Cost of Operations
- Maximize Local Contractor Participation
- Self-Funding Projects
- Design-Build Projects
- Infrastructure Renewal
- Digital Services

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ECMs Installed: HVAC, EV Flee & Charging, Battery Storage, Aicroturbine, Generators, Solar, eothermal, Lighting, Windows, acility Management and more

Veregy's Airport Experience



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Inflation Reduction Act (IRA) (H.R. 5376)

August 16, 2022, President Biden signed the Inflation Reduction Act (IRA) (H.R.5376). **The IRA will put 386 billion dollars into climate and energy programs over a 10-year timeframe.** The IRA can greatly assist airports implement sustainability plans, reduce energy consumption and provide relief to rising energy costs!

- Updates and expands previous Renewable Energy Incentives
- Federally Funded, but <u>not</u> managed through FAA
- Increased Incentives: 30%-70% of Project Cost
- New Direct Pay Option for Units of Government & Non-Profits!

Renewable Technologies Included in the IRA:

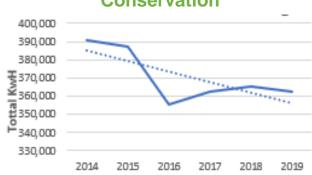
- Solar
- Battery Storage
- Geothermal
- Microgrids

- Electric Vehicles (EV)
- EV Charging
- Small Wind
- Fuel Cell

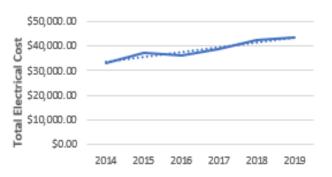
- Combined Heat/Power
- Hydrogen Production
- Biogas Conversion
- Hydropower

Airport budgets continue to be stretched as energy prices rise





Increased Utility Budgets



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Adders & Multipliers

The IRA created a mechanism for "Adders and Multipliers" to be combined with a "Base Rate" that theoretically could result in **up to 70% total savings** under the ITCs.

PROJECTS UNDER 1 MW AC	
Base ITC	30%
Domestic Content	10%
Energy Community	10%
Low Income Comm.	10%

PROJECTS OVER 1 MW AC	
Base ITC	6%
Domestic Content	2%
Energy Community	2%
Low Income Comm.	2%
Labor Multiplier	5x

Labor (5 x Multiplier)

- · Apprenticeship Standard
- Prevailing Wage
 - During project construction
 - 5 years post construction for ITC

Domestic Content Adder

- New Term being defined by Treasury
- 100% steel / iron

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- 40% remaining material \$ through 2025
 - o Increases 45% 55% through 2032+

Low-Income Community

- 10% or 20% Depending on facility type
- System Sizes of 5mW or Less
- Census tract with 20% Poverty rate or >
- Median family income < 80% of statewide or the metropolitan area median family income.

Energy Community Adder

- Superfund or Brownfield sites
- Census tracts in or adjacent to:
 - Coal mine closed after 1999

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- Coal power plant retired after 2009
- Metropolitan Statistical area with:
- Unemployment rate above the national average

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2) >/= 0.17% of employment or 25% of local tax revenues related to fossil fuels

SUMMARY OF IRA INCENTIVES

Airports Max 60% Project Savings Developer & Airport = 40% Geography & Census Data = 20%



Jackson County Airport & County-Wide Energy Project

JACKSON, MI



Total Federal Funding (IRA/ARPA): \$13,709,245 (~49% Cost Reduction)

Total Estimated Project Cost After Federal Funding: \$14,423,506

Total Projected 20-Year Energy & Operations Savings: \$26,933,506

Total Project 20-Year Positive Cash Flow: \$3,894,314



Airport Federal Funding: \$253K IRA + \$701K ARPA

Airport 20-Year Savings: \$1.7M



- Michael Overton, Administrator/Controller

Airport Scope of Work

- **Covered Solar Carport Parking**
- **LED Lighting Upgrade**
- **Building Controls & Automation**
- **HVAC** Replacement
 - (2) New Indoor Air Handling Units
 - (1) New Chiller
 - (2) New Packaged AC Units
 - (1) New Mini Split Unit







County-Wide Energy Conservation/Facility Improvement Measures



Geothermal















Orchestrate



Monitorina



Providing Airports Nationwide with Energy Savings & Revenue Solutions

