

FEDERAL TAX CREDIT FOR BUSINESS OWNED USERS OF BATTERY STORAGE TECHNOLOGY

Pursuant to 26 USC Section 48E [Section 13702 of the Inflation Reduction Act of 2022 (“IRA”)], an Investment Tax Credit (“ITC”) is an eligible technology for business owned users of the Bronco Power Boost back-up battery storage unit (“BPB Unit”). As of January 1, 2023, business owned/commercial users can claim an ITC of 30% for standalone energy storage systems regardless of the source of electricity.

A 30% ITC for Business Clean Energy Credit for Battery Storage Technology is applicable to business owned/commercial purchasers of the BPB Unit. For business owned/commercial the term ‘qualified battery storage technology’ means an expenditure for battery storage technology which has a capacity of not less than 5 kilowatt hours. There are no maximum size, price, brand, manufacture or tax credit qualifications. The qualified expenditures for business use include the cost of the BPB Unit including software, hardware and professional/installation services.

The ITC is not a check that the commercial tax filer receives in the mail. Rather, it is a tax credit that reduces the business’s federal tax liability on a dollar for dollar basis in the same tax year that the BPB is installed and can be carried over if not used all at once. To claim the Business Energy ITC, IRS Form 3468 must be filed with the user’s tax return. Other federal, state and local incentives may also apply. ***As with any tax accounting decision, please consult your CPA or tax advisor to determine if your business is eligible for the ITC and has or will have sufficient tax liability to utilize the ITC.*** This Memorandum has been prepared for informational purposes only and does not constitute tax, legal or financial advice.

The BPB Unit provides reliable back-up power with real time notifications to users, cost savings, stability, demand shaving and avoidance of Time of Use (“TOU”) Tariffs. The BPB Unit serves as a back-up energy source for users that face intermittent and frequent energy outages as well as service disruptions due to natural disasters (storms, hurricanes, etc.) and Planned Safety Power Shutoffs (“PSPS”). The BPB Unit also saves money for certain commercial users who are subject to TOU restrictions and pricing. In certain cities and states, the price of electricity changes throughout the day and can be significantly more expensive during times of peak demand-typically mornings and evenings. The BPB Unit can be re-charged with less expensive, off-peak electricity and then used during peak pricing periods to reduce the consumption of more costly, peak hour electricity. The BPB Unit can shift grid usage during peak periods in non-emergency situations and reduce stress on the grid. Given the lack of maintenance, lack of CO2 emissions and cost effectiveness, the BPB is a great alternative to more costly gas generators that do not entitle your business to an ITC.

Updated as of January 1, 2024