



December 1, 2023

Re: Additional Information for Customers on Allocation of Labor and Materials Costs for Weatherization Improvements

Dear Home Performance and Independent Installation Contractors:

We write to follow up on our letter dated September 5th regarding the federal Energy Efficient Home Improvement Tax Credit (sometimes called the “Section 25C tax credit”) and to thank you for providing information to CLEAResult about the typical allocation of your weatherization installation costs between materials and labor. We received responses from almost 100 contractors, via CLEAResult, and the results of the survey indicated that on average, more than 40% of the total project cost for a weatherization project relates to cost of materials.

As you know, Mass Save[®] already incentivizes home weatherization improvements by covering at least 75% of the costs of improvements recommended in a Home Energy Assessment. Customers are responsible for the “co-pay” of the remaining costs. The results of the survey indicate that the average cost of materials for weatherization exceeds customers’ copay amount. Therefore, the entire cost of the copay can be allocated to the cost of materials. Accordingly, to support customers’ ability to claim the Section 25C tax credit on their weatherization co-pay, the Program Administrators (“PAs”) ask that upon a customer’s request, all Home Performance and Independent Installation Contractors provide the above-stated information on cost allocation to customers along with information regarding the energy efficient products used as part of Mass Save-funded projects.

The PAs will also proactively provide this information to customers as part of the written materials that they receive with each weatherization job.

Nothing in this letter constitutes tax or legal advice, nor would we expect any of our implementation partners to provide tax advice to customers of our programs. The PAs take the position that provision of material costs and product information to customers does not constitute tax or legal advice. It is the sole responsibility of the customer to consult a tax professional in determining how and whether to claim the Energy Efficient Home Improvement Credit.

The PAs thank you for your attention to these matters and support in serving customers. Please do not hesitate to contact us with any questions or concerns.



Sincerely,

The Massachusetts Program Administrators

A handwritten signature in black ink, appearing to read 'Katherine Peters'.

Katherine Peters
Director, Residential Energy Efficiency
Eversource Energy

A handwritten signature in black ink, appearing to read 'Christopher Porter'.

Christopher Porter
Director, Customer Energy Management
National Grid

A handwritten signature in black ink, appearing to read 'Cindy L. Carroll'.

Cindy L. Carroll
Vice President, Customer Energy Solutions
Unitil Service Corp.

A handwritten signature in black ink, appearing to read 'Hammad Chaudhry'.

Hammad Chaudhry
Senior Manager, Conservation and Load
Management
The Berkshire Gas Company

A handwritten signature in black ink, appearing to read 'Stephanie Terach'.

Stephanie Terach
Manager, Energy Efficiency & Customer
Programs
Liberty Utilities

A handwritten signature in blue ink, appearing to read 'Margaret T. Downey'.

Margaret T. Downey
Administrator
Cape Light Compact JPE