



Federal /State Incentives for Renewable Energy & Energy Efficiency Upgrades

FACT SHEET

March 2026

There are incentives available on select renewable energy systems and electric vehicles to help you lower costs and protect the environment.

Residential Clean Energy Tax Credit

Due to a 2025 Budget Reconciliation bill, many federal tax credits, including the 25D residential solar tax credit, have ended early.

Here's what's still available: The 48E investment tax credit. This credit, 30 percent or more, is for businesses that typically allow consumers to enter into a leasing arrangement or Power Purchase Agreement in which the homeowner doesn't own the solar panels. In such arrangements the customer wouldn't get the tax credit directly, but the solar company would (hopefully) share the benefit with the customer by reducing the cost of the lease or PPA. CUB recommends consumers carefully read their contract to ensure this is the case.

Your project expenses may include system assembly, labor costs for onsite preparation or original system installation, and the piping and wiring required to interconnect the system to your home. 30 percent of those costs could be covered by this tax credit.

This credit will be available through 2027 (project must be placed in service by December 31, 2027).

Note that any subsidized energy financing you receive may not be included as an expenditure under this tax credit.

If your federal tax credit exceeds tax liability, the amount in excess may be carried over to the following taxable year.

Your home may qualify if:

- It is located in the United States;
- You use it as a residence; and
- You install one of the qualifying systems listed below:
 - Wind
 - Solar
 - Geothermal
 - Energy storage (with capacity of greater than or equal to 5 kWh)

Visit the Internal Revenue Service website, <https://www.irs.gov/credits-deductions/clean-electricity-investment-credit>, to learn more.

Utility Energy Efficiency Rebate Programs

Commonwealth Edison (ComEd) and Ameren Illinois offer rebates for qualifying energy-efficient appliances, home products, and heating and cooling equipment. Review eligibility requirements and complete rebate applications at ComEd. com.com/Rebates and AmerenIllinoisSavings.com/residential/products-discounts-and-rebates/.

Utility Solar and Storage Rebate Programs

Commonwealth Edison (ComEd) and Ameren Illinois are offering rebates to qualifying customers installing solar and/or battery storage on their property.

Visit CUB's "Solar and Storage Rebates in Illinois" factsheet, <https://www.citizensutilityboard.org/wp-content/uploads/2025/06/Solar-and-Storage-Rebates.pdf>, to learn more.

Illinois Electric Vehicle Rebate Program

Eligible Illinois residents that meet income thresholds established in the Electric Vehicle Rebate Act (EV Rebate Act) and that purchase a new or used all-electric vehicle whose base purchase or selling price does not exceed \$80,000 from an Illinois licensed dealer may be eligible for Illinois' Electric Vehicle Rebate in the amounts set forth below.

- A \$4,000 rebate to a low-income applicant, as defined in the EV Rebate Act, for the purchase of an all-electric vehicle that is not an electric motorcycle. A \$2,000 rebate to an applicant that is eligible to apply for a rebate but does not meet the low-income criteria for the purchase of an all-electric vehicle that is not an electric motorcycle.
- A \$1,500 rebate to an eligible applicant for the purchase of an all-electric motorcycle.

Visit the Illinois Environmental Protection Agency (EPA) website, <https://epa.illinois.gov/topics/ceja/electric-vehicle-rebates.html>, to learn more.

Energy Efficient and Renewable Energy Mortgages

If you made your current home more energy efficient, built a new energy efficient home, or installed renewable energy technology, such as solar, wind, and/or geothermal in your home, you may qualify for a larger mortgage loan.

There are three types of energy efficient mortgages available:

1) Conventional energy efficient mortgages are available through private lenders who sell their loans to Fannie Mae and Freddie Mac. The lender is allowed to increase your mortgage loan by an amount equal to your home's estimated energy savings. If you get an energy efficient mortgage through Fannie Mae, your home's value will be adjusted to reflect the value of the energy efficient measures.

2) Federal Housing Authority (FHA) energy efficient mortgages are available for manufactured and site-built homes through an FHA-approved lending institution. You must meet the income requirements for FHA Section 203(b) to qualify for this type of mortgage. Your loan may not be greater than the savings projected for the energy efficiency improvements made, and the loan may be insured for up to 5 percent of your home's appraised value. This mortgage may be combined with other types of FHA mortgages.

Your home may qualify if:

- It is owner-occupied;
- It is a new home;
- It an existing home; or
- It has up to two units.

Limits on FHA mortgages vary depending on where you live and whether there is more one unit in the residence, and regular FHA loan limits do not apply to an energy efficient mortgage.

- To apply, visit your local Department of Housing and Urban Development (HUD) Field Office through an FHA approved lending institution, or apply online at https://www.fha.com/fha_article?id=3073
- For more information on energy efficient mortgages, visit <https://www.energystar.gov/newhomes/energy-efficient-mortgages>
- For more information from HUD, visit <https://www.hud.gov/hudprograms>, or call the Office of Single Family Housing at 800-569-4287

3) Department of Veterans Affairs (VA) energy efficient mortgages are available to veterans, reservists, and other qualified military personnel who purchase an existing home or refinance. Energy improvements are capped at \$3,000 to \$6,000, or more at the VA's discretion. Note that you may not include the cost of your own labor in the total amount. If you are interested in this loan, you should obtain a certificate of eligibility from a local lending office and submit it to a private lender approved by the VA.

- For more information, call the VA at 800-827-1000 or visit <https://www.veteransunited.com/valoans/va-energy-efficient-mortgage/>. The federal government insures an FHA or VA mortgage, and lenders are secured against default.

For more information on these programs:

Public Information, Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, D.C. 20224
1-800-829-1040

CUB works hard to maintain the accuracy and timeliness of this information, but programs often change. CUB is not responsible for the administration of any of the programs described in this fact sheet. If you are having trouble applying for or receiving benefits from any of the programs described above, please contact the administrator of that program. Please notify CUB if you find any inaccuracies here.