



# A Manufacturer's Guide to Grants, Funding, and Tax Breaks

Secure funds for renewable energy and energy efficiency projects.



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Brought to you by the National Association of Manufacturers through its NAM Energy Program in partnership with Environ Energy

This guide is brought to you by **NAM Energy** in partnership with **Environ Energy**. Through this collaboration, National Association of Manufacturer (NAM) Members gain access to comprehensive, end-to-end energy services that address the challenges of energy costs, carbon reduction, and operational efficiency. Members are connected with dedicated Energy Advisors and Engineers who assess current and future energy needs while considering sustainability impacts.

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**WHAT'S INSIDE:**

- Energy Efficiency in Manufacturing
- How to Identify & Prioritize Projects
- How to Evaluate Savings
- Federal & State Funding Listing



**THE STRATEGIC IMPORTANCE OF ENERGY EFFICIENCY IN MANUFACTURING**

In today's competitive industrial landscape, energy efficiency has evolved from a cost-saving tactic into a strategic business imperative. Lowering energy consumption not only reduces operational expenses but also strengthens competitiveness and supports long-term resilience. As industrial activities contribute significantly to greenhouse gas emissions, manufacturers are uniquely positioned to lead in advancing national and global sustainability goals. Fortunately, a range of grants, incentives, and tax breaks are available to help offset the cost of energy-efficient upgrades and renewable energy investments.

**Grants, Incentives, and Carbon Credits to Cover your Investments**

*Leverage Financial Tools for Positive Return-On-Investment (ROI)*

**Grants & Subsidies**

Government programs can offset initial project costs, increasing accessibility to decarbonization.

**Incentives & Tax Credits**

Incentives offer returns on investment (ROI) and improve the financial feasibility of large projects.

**Carbon Credits & Market Offsets**

Carbon credits enable monetization of emission reductions, creating revenue streams.



NAM Members have access to expert energy management support through trusted partner Environ. Experienced Energy Advisors work with you to unlock capital and secure tax credits for renewable energy projects and energy-efficient plant improvements.

With a team of engineers and specialists, Environ helps identify and navigate funding opportunities—including rebates, grants, and incentives available through state, local, and utility programs—so you can maximize savings and accelerate your sustainability goals.

## HOW TO IDENTIFY PROJECTS

### Energy Audits & Analysis

Find areas where energy consumption can be reduced.

### Equipment Optimization

Retrofit existing or replace outdated machinery and energy-efficient equipment, such as LED lighting, high-efficiency motors, HVAC systems.

### Process Optimization

Minimize energy consumption by adjusting production schedules, optimizing flow rates, and implementing process automation.

### Building Envelope Improvements

Replace insulation, doors, and windows to reduce energy loss.

### Energy Management Systems

Implement EMS to control energy usage across the facility.

### Waste Heat Recovery

Recover and reuse waste heat from industrial processes to generate electricity or heat for other uses.

## HOW TO PRIORITIZE PROJECTS

Align with programs that favor high-impact, sustainable investments. Each grant, incentive, or rebate comes with its own set of criteria—making project selection and prioritization critical. Expert guidance helps you identify the most eligible and cost-effective upgrades. Through both virtual consultations and on-site facility walk-throughs, Energy Advisors assess your operations, uncover opportunities, and develop a decarbonization roadmap that aligns with available funding.



### Impact on Carbon Reduction

Projects are prioritized based on their potential to significantly reduce emissions.



### Return on Investment (ROI)

Projects with clear and high ROI are considered priority investments for long-term gains.



### Scalability & Future Benefits

Projects that are scalable and benefit multiple assets are highly valued.

## HOW TO EVALUATE SAVINGS

### Energy & Carbon Savings

Optimize energy efficiency to cut emissions and lower energy costs, especially in high-consumption areas.

### Reduced Maintenance Costs

Energy-efficient equipment demands less maintenance, reducing operational costs over time.

### Extended Asset Life

Investments in efficiency extend equipment lifespan, maximizing capital investments.

## DON'T DELAY - THE RISK OF INACTION CAN BE COSTLY

### *Financial, Operational, and Environmental Risks*

### Escalating Operational Costs

Delaying upgrades increases energy and maintenance costs over time, harming financial health.

### Regulatory Penalties

Non-compliance with emerging carbon regulations can result in costly fines and restrictions.

### Environmental & Reputational Impact

Failure to act risks reputational damage and environmental costs that could impact market value.

## UNLOCK FUNDING: LET US HELP YOU NAVIGATE AVAILABLE PROGRAMS

Driven by growing regulatory requirements, rising stakeholder expectations, and the global shift toward decarbonization, funding programs are available to support energy-efficient upgrades.

**These programs significantly offset your investment costs. The challenge? Knowing where to find them and how to qualify.**

Environ helps clients across the country identify, apply for, and secure funding for renewable energy projects and energy-efficient plant upgrades.

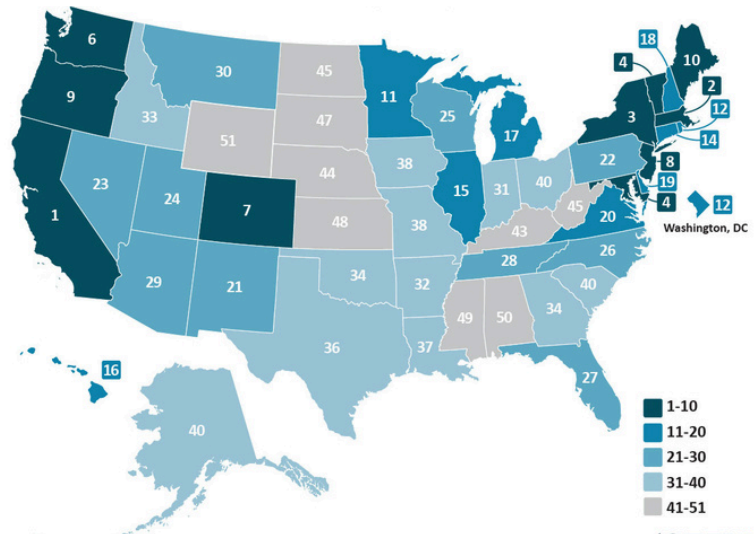
The list of programs in this guide is not exhaustive. Environ continuously monitors and updates available funding opportunities as new ones become available. If there's a specific program you're interested in and you don't see it listed, contact us to research and vet it for you. If you're unsure whether a program applies to one of your facility locations, reach out:

[NAM@environenergy.com](mailto:NAM@environenergy.com)



## MAPPING STATES BY EFFICIENCY

The American Council for Energy-Efficient Economy (ACEEE) ranks 50 states and DC on policies and programs to advance energy efficiency. The top finishers in the 2025 scorecard are California, Massachusetts, and New York, with Maryland and Vermont tied for fourth. Colorado, Louisiana, and New Jersey are among the most improved states since the last scorecard. **For more info:** <https://www.aceee.org/state-policy/scorecard>



For More State-By-State Funds not listed here, please visit the ACEEE Website.

<https://database.aceee.org/state/financial-incentives>

### Federal Incentives through the Inflation Reduction Act of 2022

The U.S. federal government provides a range of incentives to help manufacturers adopt energy-efficient technologies and practices. The Inflation Reduction Act of 2022 significantly expanded these opportunities, introducing robust tax incentives.

#### Section 48 Investment Tax Credit (ITC)

**What it is:** A tax credit for investments in qualifying renewable energy systems

**Who qualifies:** Manufacturers installing solar, wind, geothermal, or other energy systems

**Benefit:** Up to 30% of project costs as a tax credit, with potential bonuses for domestic content and location in energy or low-income communities

#### Section 45X Advanced Manufacturing Production Credit

**What it is:** A production-based tax credit for domestic manufacturing of clean energy components

**Who qualifies:** U.S. manufacturers producing solar panels, batteries, inverters, wind components, or critical minerals

**Benefit:** Per-unit credit based on eligible component output

#### Section 179D Commercial Building Energy-Efficiency Deduction

**What it is:** A tax deduction for energy-efficient upgrades to commercial and industrial buildings

**Who qualifies:** Manufacturers who own or lease buildings and perform qualifying upgrades like HVAC, lighting, envelope

**Benefit:** Up to \$5.00 per square foot depending on energy savings and labor standards

## Section 45L Energy Efficient Home Credit (if producing modular or residential units)

**What it is:** A credit for building or manufacturing energy-efficient homes

**Who qualifies:** Manufacturers of modular homes or residential units used in workforce housing.

**Benefit:** Up to \$5,000 per home

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## Clean Energy Tax Credits Bonus Adders

**What they are:** Additional credits for meeting key social and environmental criteria

**Examples include:**

- Domestic content (U.S.-made materials)
- Location in low-income or energy communities
- Meeting prevailing wage and apprenticeship standards

## State-Level Energy Efficiency Programs for Manufacturers

### CALIFORNIA

#### California's Self-Generation Incentive Program (SGIP)

The program aims to bolster energy independence, enhance grid reliability, and support California's climate goals.

**Eligible Technologies:** Solar, wind, biomass, and energy storage systems

**Incentive Benefits:** Reduced installation costs for renewable energy technologies

**Goal:** Promote clean energy solutions while reducing carbon emissions



### CONNECTICUT, MASSACHUSETTS, NEW HAMPSHIRE COLLABORATION

#### Energize CT, Mass Save and NH Saves

Connecticut, Massachusetts, and New Hampshire's electric and natural gas utilities (Avangrid, Eversource & National Grid) work together to provide customers with information, incentives, and support designed to save energy, reduce costs, and protect the environment.

#### Energize CT Incentives & Financing:

- Project Cost: Up to 40% of the total project cost for energy-efficient upgrades
  - Kilowatt-Hour Savings: Up to \$.40 per kilowatt-hour saved
  - 0% Financing: Available for eligible businesses if funding is available
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#### Unitil New Hampshire Program

NH Saves is a collaboration of New Hampshire's electric and natural gas utilities working together to provide New Hampshire customers with information, incentives, and support designed to save energy, reduce costs, and protect the environment.

#### Energy Efficiency Incentives & Financing:

- Project Cost: Up to 50% of the total project cost for energy-efficient upgrades
- Kilowatt-Hour Savings: Up to \$.50 per kilowatt-hour saved
- 0% Financing: Available for eligible businesses if funding is available

## COLORADO

### Energize Denver

This is a citywide initiative designed to help commercial buildings reduce energy consumption and greenhouse gas emissions.

**Objective:** Achieve a 30% reduction in Energy Use Intensity (EUI) for buildings 25,000 sq. ft. and larger by 2030.

**Key Features:**

- Mandatory energy benchmarking
- Performance targets based on EUI
- Incentives for electrification and renewable energy adoption

**Benefits for Manufacturers:** Access to technical assistance, financial incentives, and compliance support, helps manufacturers transition to more energy-efficient operations.

[Learn More about Energize Denver](#)

## ILLINOIS

### Illinois Community Solar Program

Community solar programs allow manufacturers to benefit from solar power without installing panels on-site.

**How It Works:**

- Participate in a community solar project.
- Receive electricity bill credits based on your share of the generated electricity.
- Subscription Terms: Typically, 5-10 years, with potential for up to 20 years
- Discounts: 5-15% depending on the project and developer

**Benefits:**

- Lower electricity bills.
- Reduce carbon emissions.
- Reduce reliance on fossil fuels.

### Illinois Smart Inverter Rebate Program

A *smart inverter* is an essential device that allows utilities to efficiently manage the flow of electricity from a solar installation to the grid. In Illinois, ComEd and Ameren offer rebates for customers who install both solar panels and energy storage devices equipped with smart inverters.

**Eligibility:** Customers who install solar energy systems and energy storage solutions

**Rebates Offered:** Financial incentives for the installation of smart inverters and energy storage devices

**Goal:** Enhance grid management, improve energy distribution, and promote clean energy adoption.

[Learn More About the Illinois Smart Inverter Rebate Program](#)

## NEW YORK

### NYSERDA Programs for Manufacturers

The New York State Energy Research and Development Authority (NYSERDA) offers several valuable programs to support clean energy adoption and operational efficiency.

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### On-Site Energy Manager (OsEM) Program

Helps manufacturers fund a dedicated energy manager—either full-time or part-time—to lead facility efficiency improvements.

**Incentive:** Up to 50% cost-share for salary or fees

**Eligible Projects:**

- Energy efficiency upgrades
- Operations and maintenance improvements
- Water conservation measures
- Clean energy planning

## **NYSERDA: Flexible Technical Assistance (FlexTech) Program**

Provides funding for customized energy studies to uncover savings opportunities and integrate clean energy into capital planning.

- Supports detailed evaluations of equipment, systems, and processes.
- Helps inform smart investments in facility upgrades.

## **NYSERDA: Compressed Air Systems Incentives**

These incentives support the installation of high-efficiency compressors, dryers, and other components that improve system performance, reduce energy consumption, and lower operating costs.



Environ acts as your On-Site Energy Manager—with up to 50% of the cost covered by NYSERDA funds. Take the hassle out of the process. Environ conducts facility audits, manages your application submission, and serves as your single point of contact throughout your journey.

With Environ's strong relationship with NYSERDA, you gain access to the expertise, qualifications, and leadership needed to maximize your success in securing funding.

Don't wait—funds are limited. Email [NAM@environenergy.com](mailto:NAM@environenergy.com) today to get started!



## **NYSERDA: Steam Trap Survey and Prescriptive Incentives**

By optimizing steam traps, manufacturers can prevent energy waste and improve overall system performance.

## **NY Community Solar Program**

Community solar programs allow manufacturers and other businesses to benefit from solar power without installing panels on-site.

### **How It Works:**

- Participate in a community solar project aka solar farm.
- Receive electricity bill credits based on your share of the generated electricity.
- Subscription Terms: Typically, 5-10 years, with potential for up to 20 years
- Discounts: 5-15% depending on the project and developer

### **Benefits:**

- Lower electricity bills.
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## **PENNSYLVANIA**

### **Reducing Industrial Sector Emissions in Pennsylvania (RISE PA) Grant Program**

**Funding Available:** Up to \$396 million in grants  
Grant Range: \$25,000 to \$220 million per project.

**Purpose:** Support projects that reduce climate pollution in Pennsylvania's industrial sector.

**Funding Source:** U.S. EPA's Climate Pollution Reduction Grants under the Inflation Reduction Act

### **Application Window:**

- Opened: February 26, 2025
- Closes: August 29, 2025

## Pennsylvania: Reduced-Cost Level II Energy Audits

The Pennsylvania Department of Environmental Protection (DEP) is offering reduced-cost Level II ASHRAE energy audits for small and mid-sized industrial facilities. The program aims to support 200 facilities across the state.

### Audits Deliver:

- Detailed assessments of energy use
- Cost-benefit analyses for recommended upgrades
- Actionable implementation strategies

### Eligibility Criteria:

- Gross annual sales under \$250 million
- Fewer than 500 employees at the plant site
- Priority given to disadvantaged businesses and facilities in Environmental Justice areas

## SOUTH CAROLINA

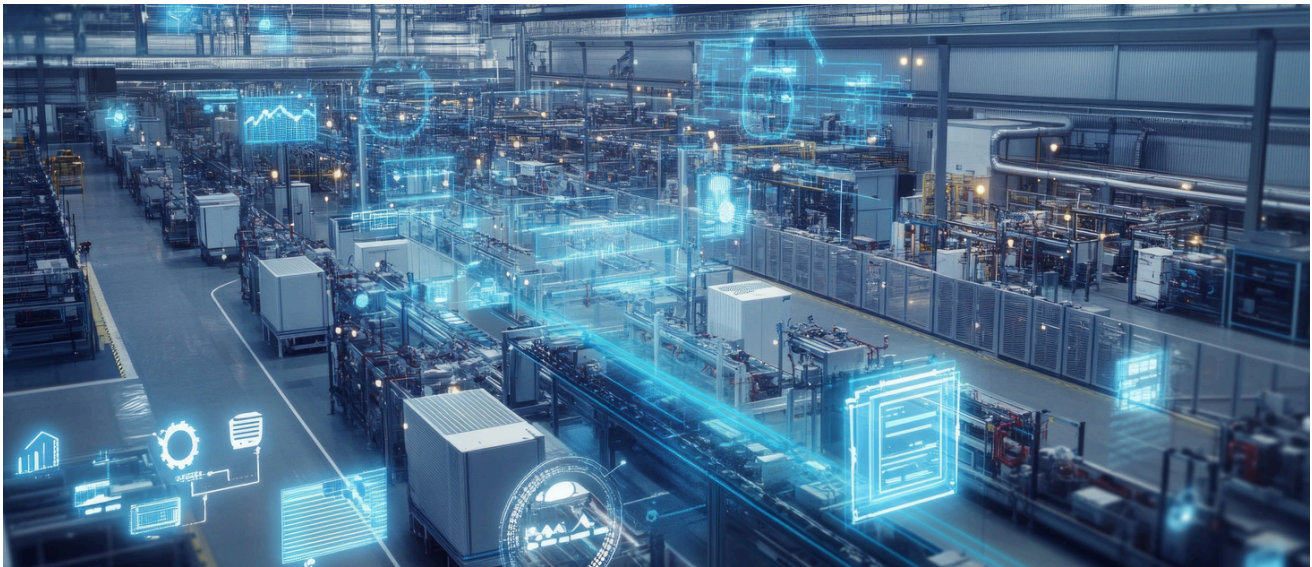
### South Carolina Renewable Energy Facility Credit

South Carolina provides an income tax credit of 10% for companies investing in renewable energy facilities, such as solar, wind, and geothermal energy systems.

**Qualifying Investments:** At least \$500 million in renewable energy facilities

**Job Creation Requirement:** At least 1.5 jobs for every \$500,000 invested, with wages at 125% of the state median

**Eligible Companies:** Manufacturers of renewable energy systems and components



## ABOUT ENVIRON ENERGY

Environ Energy, established in 1995, is a leader in energy management and sustainability solutions, helping clients advance in energy efficiency, clean energy procurement, energy resilience, and regulatory compliance. The company manages over \$2B in energy contracts and 100M square feet of commercial, industrial, and retail space, achieving over \$100M in client savings. Environ serves major institutions and government agencies across various sectors, including healthcare, manufacturing, education, real estate, and finance.

For more information, visit [www.environenergy.com](http://www.environenergy.com).

**GET STARTED**

Email [NAM@environenergy.com](mailto:NAM@environenergy.com) to learn how Environ can help you meet your energy goals