



# Viridi™

FEDERAL INCENTIVES FOR BESS

## Cut Project Costs by Up to 50%



The **Inflation Reduction Act (IRA)** created powerful federal incentives to accelerate the deployment of clean energy infrastructure—including stand-alone battery energy storage systems.

Organizations installing battery energy storage may qualify for the Clean Electricity **Investment Tax Credit (ITC)**, significantly reducing total project costs.

### HOW ORGANIZATIONS ACCESS THE INCENTIVE

#### Government & Non-Profit Organizations

Eligible public and tax-exempt entities may receive the incentive through Direct Pay from the U.S. Treasury.

Eligible entities include:

- State and local governments
- Municipal utilities
- Public schools and universities
- Tribal governments
- Rural electric cooperatives
- Nonprofit organizations

Direct Pay allows these organizations to receive the credit as a direct reimbursement from the Treasury, even without tax liability.

#### For-Profit Businesses

Businesses can benefit by:

- *Claiming the Investment Tax Credit against federal income tax liability*
- *Selling or transferring the credit to another taxpayer for cash under federal transferability rules*

#### Why Battery Energy Storage?

Battery energy storage helps organizations:

- *Maintain reliable backup power*
- *Reduce diesel generator reliance*
- *Improve resilience for critical infrastructure*
- *Support clean energy and decarbonization goals*

Federal incentives make these systems significantly more affordable.



RPS150 Trailer Mounted Battery Energy Storage System



RPSLinkIN Modular Indoor Battery Energy Storage System



# Start Planning Your Project.

## QUICK FACTS

Primary Federal Incentive	Clean Electricity Investment Tax Credit (§48E)
Base Credit	30% of eligible project cost
Potential Bonus Credits	Domestic Content (+10%), Energy Community (+10%)
Maximum Potential Federal Incentive	Up to 50% of project cost
Government & Non-Profit Access	Direct Pay from the U.S. Treasury (§6417)
For-Profit Business Access	Claim credit or transfer credit to an eligible taxpayer (excluding certain Foreign Entities of Concern) (§6418)
Credit Availability	Available until U.S. power-sector emissions fall to 25% of 2022 levels, with a phased reduction thereafter

## IRS FORMS AND GUIDANCE

Organizations seeking to benefit from the Clean Electricity Investment Tax Credit generally:

1. Register the project with the IRS through the Elective Pay pre-registration process (required for Direct Pay claims by governmental and tax-exempt entities under IRC §6417).
2. Calculate the Investment Tax Credit using IRS Form 3468 (Investment Credit).
3. Claim the incentive – either as Direct Pay for eligible governmental and tax-exempt organizations (§6417) or as a tax credit claimed or transferred by for-profit taxpayers (§6418).

### IRS Resources

**Form 3468 – Investment Credit**  
<https://www.irs.gov/forms-pubs/about-form-3468>

**Elective Pay (Direct Pay) & Credit Transferability Guidance**  
<https://www.irs.gov/credits-deductions/elective-pay-and-transferability>

**Form 990-T – Exempt Organization Business Income Tax Return**  
<https://www.irs.gov/forms-pubs/about-form-990-t>

## EXAMPLE PROJECT ECONOMICS

### Illustrative Battery Energy Storage Project

Item	Amount
Project Cost	\$2,000,000
30% Base ITC	– \$600,000
Domestic Content Bonus (+10%)	– \$200,000
Energy Community Bonus (+10%)	– \$200,000

**Estimated Net Project Cost: \$1,000,000**

*Actual incentive value depends on project eligibility.*

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