

Part IV - Items of General Interest

Standards for Calculating Energy Savings for the New Energy Efficient Home Credit.
Internal Revenue Code 45L.

Announcement 2006-88

This Announcement informs taxpayers that either Residential Services Network (RESNET) Publication No. 05-001 or RESNET Publication No. 06-001 may be used in determining whether a dwelling unit qualifies for the New Energy Efficient Home Credit. Thus, a taxpayer may calculate heating and cooling energy and cost savings using the procedures contained in either RESNET publication. Similarly, an application to have a software program included on the public list of software programs that may be used to calculate energy consumption may be based on a declaration by the developer that the program satisfies the tests required to conform to the software accreditation process prescribed in either RESNET publication. This change is effective for new energy efficient homes acquired after December 31, 2005.

Notice 2006-27, 2006-11 I.R.B. 626, February 21, 2006, and Notice 2006-28, 2006-11 I.R.B. 628, February 21, 2006, provided guidance regarding the calculation of

heating and cooling energy and cost savings for purposes of determining the eligibility of dwelling units for the New Energy Efficient Home Credit under Internal Revenue Code § 45L. Those Notices provided that calculations of heating and cooling energy and cost savings be done in accordance with the procedures contained in RESNET Publication No. 05-001. The Notices also provided that software would be included on the public list of software programs that may be used to calculate energy consumption only if the software developer certified that the program satisfied all tests required to conform to the software accreditation process prescribed in RESNET Publication No. 05-001. Shortly after the publication of the Notices, RESNET updated Publication No. 05-001 by issuing Publication No. 06-001. Publication No. 06-001 is intended to provide more appropriate regional standards for calculating energy and cost savings. This Announcement modifies the guidance in the previously issued Notices by permitting taxpayers to use either the prior RESNET standards in Publication No. 05-001 or the current RESNET standards in Publication No. 06-001.

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