



07/02/2024

## **Tesla Powerwall Qualification for Residential Energy Tax Credit**

To Whom it May Concern,

1. Powerwall is a compact home battery which stores energy generated from solar or the grid.
2. Internal Revenue Code ("IRC") section 25D generally allows a credit for taxpayer expenditures for residential energy efficient property which can include Powerwall if the requirements of IRC section 25D are met.
3. In 2022, Congress amended IRC section 25D to include expenditures for qualified battery storage technology property for tax years beginning after 2022.
4. IRC section 25D specifies a number of requirements taxpayers must meet to qualify for the credit for qualified battery storage technology property.
5. IRC section 25D(d)(6) defines the term qualified battery storage technology expenditures as expenditures for battery storage technology which (i) is installed in connection with a dwelling unit located in the United States and used as a residence by the taxpayer, and (ii) has a capacity of not less than 3 kilowatt hours.
6. Tesla verifies that Powerwall 2, Powerwall+, and Powerwall 3 each have 13.5kWh of energy capacity (above the threshold of the 3 kWh 25D(d)(6) requirements). Powerwall 3 supports up to 20 kW DC of solar and provides 11.5 kW AC of continuous power per unit. Powerwall+ supports up to 12.92 kW DC of solar and provides 7 kW AC of continuous power per unit. Powerwall 2 has a continuous 5kW of AC power.
7. Tesla does not intend for this summary to address all of the requirements of IRC section 25D or to be a manufacturer's certification as Tesla does not issue or provide certifications for tax purposes including for IRC section 25D.

THIS SUMMARY ALSO DOES NOT CONSTITUTE TAX OR LEGAL ADVICE FROM TESLA TO ANY THIRD PARTY. TESLA STRONGLY ENCOURAGES TAXPAYERS TO CONSULT A QUALIFIED TAX ADVISOR TO DETERMINE IF THEIR PARTICULAR PROJECT SATISFIES THE REQUIREMENTS OF THE INTERNAL REVENUE CODE TO QUALIFY FOR TAX CREDITS.

Sincerely,

**Tesla Residential Energy**