



Identifying Rebates & Incentive Programs

From the Servidyne Energy Efficiency Experts

For many companies, creating sustainability programs for their buildings can be a daunting task. Economic times have made it increasingly difficult to find funding for larger projects and many organizations opt out of participating in many opportunities because they are simply unable to generate the funds.

However, there are opportunities that you can take advantage of that can help you and your organization finance energy efficiency projects. The first step in finding these opportunities is to identify sources of rebates and grants offered by utility companies.

How do I find these rebates and grants?

In this article are some suggestions for identifying sources of rebates and incentives offered by utilities. Follow these simple steps and you will be on your way to finding rebate programs in your area.

Identifying Rebates & Incentive Programs

Gather Critical Information

Before you can identify a program that will work for you, you will need to gather information about your company that will determine which programs you may be eligible for:

- A copy of a recent utility bill showing your account number, your billing rate schedule, and in some states, your meter or location identification number. You will also probably want to know the maximum kW (demand) you have experienced in the past 12 months.
- The square footage and year of construction of your facility.
- A list of existing equipment you intend to replace as well as the new equipment you plan to install.



One of the most valuable resources on the web right now is DSIRE, the Database of State Incentives for Renewables and Efficiency. This website is a great resource to find the latest available programs across the United States. You can visit DSIRE at <http://www.dsireusa.org>.

On this website, you will be able to click on your specific state, which will then redirect you to a listing of all available programs from state and local government programs, to utility company rebates and incentives.

Incentive & Rebate Categories

Utility companies offer two broad categories of incentives and rebates, prescriptive and custom. **Prescriptive programs** offer rebates or incentives only for specific measures, and are usually prescriptive both for the existing equipment and the new equipment. For example, many programs will not offer prescriptive rebates for upgrading existing T8 fluorescent lighting, although they may incentivize these replacements under their custom programs. Generally speaking, prescriptive programs are easier to apply for.

Custom rebate programs are available from most utilities that have rebate programs. These programs are usually rather flexible and can potentially offer a greater number of rebates for a wider range of energy efficiency projects than those found under their prescriptive programs. The rebate or incentive offered is often based on a payment rate per reduced kWh or kW. For example, LED lighting upgrades could potentially be covered under some of your utilities custom rebate programs. Utilities will have a set of standards for the new LED fixtures and the applicant has to verify that the proposed LED fixtures meet the prerequisites.

Custom rebate programs are usually administered by a different management group within the utility or its sub-contractors. Therefore, a separate application and approval process is usually required. A more detailed M & V procedure is often a part of a custom rebate project, although lighting projects are often approved on a “deemed savings” basis.

Distinguishing between Incentives and Rebates

There is also an important distinction between the words rebates and incentives. A number of programs are classified as *incentive programs*. This means they often require evidence that you wouldn't have performed the upgrades without the incentives. Therefore, you can't begin any work, or purchase any materials, until the program approves or pre-approves your application. This is also common in rebate programs.

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Rebate programs often do not require pre-application or pre-approval. Typically, an application is submitted once the project is complete along with invoices and product literature. Be careful to check each specific rebate program, because even these will sometimes require pre-approval if the estimated rebate exceeds a certain value threshold, which varies greatly among the utilities.

Many of these rebate and incentive programs have different categories depending on the size of the total demand load profile among their customers. Often, small commercial programs are designed for customers with less than a certain connected load, and this can vary from 20 kW to 500kW and may require the use of the utility's Trade Allies, or pre-approved contractors. Large commercial and industrial rebate and incentive programs often will allow you to use the contractor of your choice. Some utilities require all program participants to use Trade Allies; usually this means the contractor has received some training in administering the program and has supplied suitable references and licensing documentation.

Often the utilities will allow your contractor to submit rebate and incentive applications on your behalf. This can be useful because of the time needed to coordinate inspections, and to answer questions that may come up in their approval process.

Get to Know Your Program

Finally, if you identify a program for which you are eligible, remember to ask these questions:

1. Is a pre-inspection required? How long does it take to schedule a pre-inspection?
2. Is pre-approval required before I can start the project?
3. Are monitoring and verification procedures required before, during, or after project completion? If so, are these to be performed by the installing contractor, by the utility, or by a third party? Who is responsible for these M & V expenses?
4. Are post-inspections required or not? If so, how long does it take to schedule a post-inspection?
5. What is the deadline for applications for the current program year?
6. Is funding still available for new applications in the current program year?

About the Author

Mr. Brian Hughes brings 20 years of experience material, energy and lighting management experience to the company. He has a strong background in developing detailed scopes of work for lighting upgrades, evaluating utility rebate opportunities for energy conservation measures, creating conceptual designs and estimating cost of implementation, developing lighting designs using point-by-point lighting design software, performing on-site surveys assessing existing conditions and energy usage, and identifying economically viable energy conservation measures. Mr. Hughes attended the University of South Alabama and holds a B.A. in History.

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