

# Best Practices for Finding and Capturing Incentives

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# Today's Agenda

- Part 1: Backstory on rebates
- Part 2: Finding the “free money”
- Part 3: Ingredients for best practices
- Part 4: Tips for success
- Part 5: Technical approaches
- Part 6: Looking ahead...

# Backstory

- Why do they give rebates/incentives?

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  - “NIMBY” & “BANANA” prevent new generation <sup>1,2</sup>
  - Transmission and distribution bottlenecks
  - Ratepayers relief as energy prices rise

<sup>1</sup> “Not In My Back Yard”

<sup>2</sup> “Build Almost Nothing Around Nearly Anyone”

# Backstory

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  - “NIMBY” & “BANANA” prevent new generation
  - Transmission and distribution bottlenecks
  - Ratepayers relief as energy prices rise
  - Environmental concerns
  - Economic development
  - Security of energy supply

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- Why do they give rebates/incentives?
- How much is available, both cash and non-cash?
  - Utilities, governments, other agencies
  - More sources and funding are on the way
  - Cash plus....loans, tech assistance, etc.
  - Availability varies by location and timing
  - It pays to do your homework!

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# Finding the “Free Money” (cont’d)

- What’s the best way to find/collect rebates?
  - Size of portfolio, number of potential projects
  - Geographic dispersion
  - In-house or outsourced energy department
  - In-house or outsourced construction group
  - Existing relationships w/rebate-savvy 3<sup>rd</sup> parties
  - *How close is this activity to your core business?*

# Finding the “Free Money” (cont’d)

- **In-house approaches to finding the money**
  - Local utility, government agency
  - Published summaries & online databases
  - Examples (*see following slides*)
- **Outsourcing rebate issues to a 3<sup>rd</sup> party**
  - Vendor, contractor (who might, in turn, outsource rebates)
  - Energy consultant with rebate experience
  - Rebate filing specialist

# Sample Online Sources

**California Energy Commission**

**[www.consumerenergycenter.org](http://www.consumerenergycenter.org)**

**<http://www.fypower.com/com/tools/rgl.html>**

**FEMP, Pacific Northwest National Laboratory (PNNL)  
for the US Department of Energy**

**[http://www1.eere.energy.gov/femp/program/utility/utilityman\\_energymanage.html](http://www1.eere.energy.gov/femp/program/utility/utilityman_energymanage.html)**

# Sample Online Sources (cont'd)

**Edison Electric Institute (EEI)**

<http://www.eei.org/>

[http://www.eei.org/industry\\_issues/retail\\_services\\_and\\_delivery/wise\\_energy\\_use/programs\\_and\\_incentives/progs.pdf](http://www.eei.org/industry_issues/retail_services_and_delivery/wise_energy_use/programs_and_incentives/progs.pdf)

**DOE's Office of Energy Efficiency and Renewable Energy (EERE)**

[http://www.eere.energy.gov/state\\_energy\\_program/projects\\_state.cfm](http://www.eere.energy.gov/state_energy_program/projects_state.cfm)

# Sample Online Sources (cont'd)

**Database of State Incentives for Renewable Energy  
(DSIRE)**

<http://www.dsireusa.org/>

# DSIREusa.org

DSIRE: DSIRE Home - Microsoft Internet Explorer provided by RealWinWin, Inc.

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 **DSIRE**  
Database of State Incentives for Renewable Energy

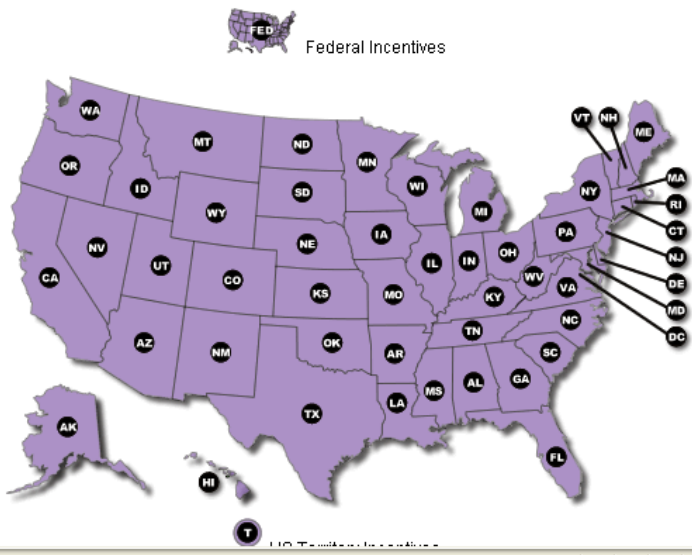
The Database of State Incentives for Renewable Energy (DSIRE) is a comprehensive source of information on state, local, utility, and selected federal incentives that promote renewable energy. DSIRE now includes **incentives for energy efficiency**. Choose one or both databases to search using the check boxes below.

**FAQs**  
**Summary Maps**  
**Summary Tables**  
**Search By**  
**Glossary**  
**Links**  
**Library**  
**New / Updated Incentives**

**\*\*\*\*\* New! \*\*\*\*\***  
Incentives for Energy Efficiency

Choose database:  
☒ Renewable Energy  
☒ Energy Efficiency

[Help](#)  
**\*\*\*\*\***



FED Federal Incentives

Done Internet

# DSIREusa.org

DSIRE: Summary Tables: Financial Incentives for Energy Efficiency - Microsoft Internet Explorer provided by Google

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Address http://www.dsireusa.org/summarytables/FinEE.cfm?CurrentPageID=7&EE=1&RE=1 Go Links

Google Go 103 blocked Check AutoLink AutoFill Send to Settings

**DSIRE**  
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## Financial Incentives for Energy Efficiency

**Summary Tables**  
Overview  
Financial Incentives (Renewable Energy)  
Financial Incentives (Energy Efficiency)  
Rules, Regulations & Policies  
DSIRE Home

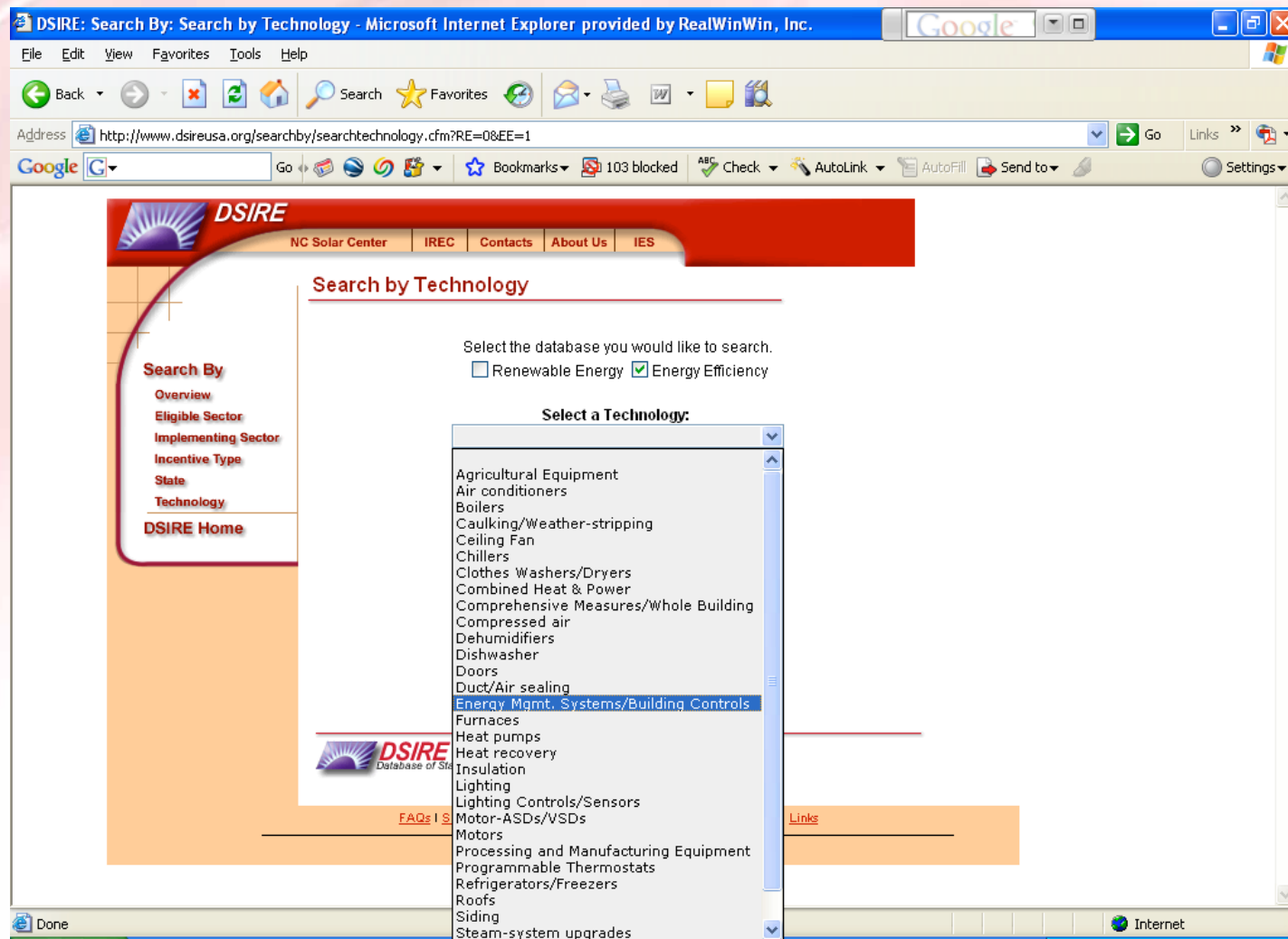
**Financial Incentives**

Federal =   
State =   
Utility =

State	Personal Tax	Corp. Tax	Sales Tax	Prop. Tax	Rebates	Grants	Loans	Bonds
Federal	2	4				1	2	
Alabama					4		1 4	
Alaska							3	
Arizona	1				1			
Arkansas							1	
California	1				55	5	1 7	
Colorado					12		1	
Connecticut					14	2 2	2 4	
Delaware								
Florida			1		20	1 2	2	
Georgia					2			
Hawaii					3			
Idaho	1				14		1	

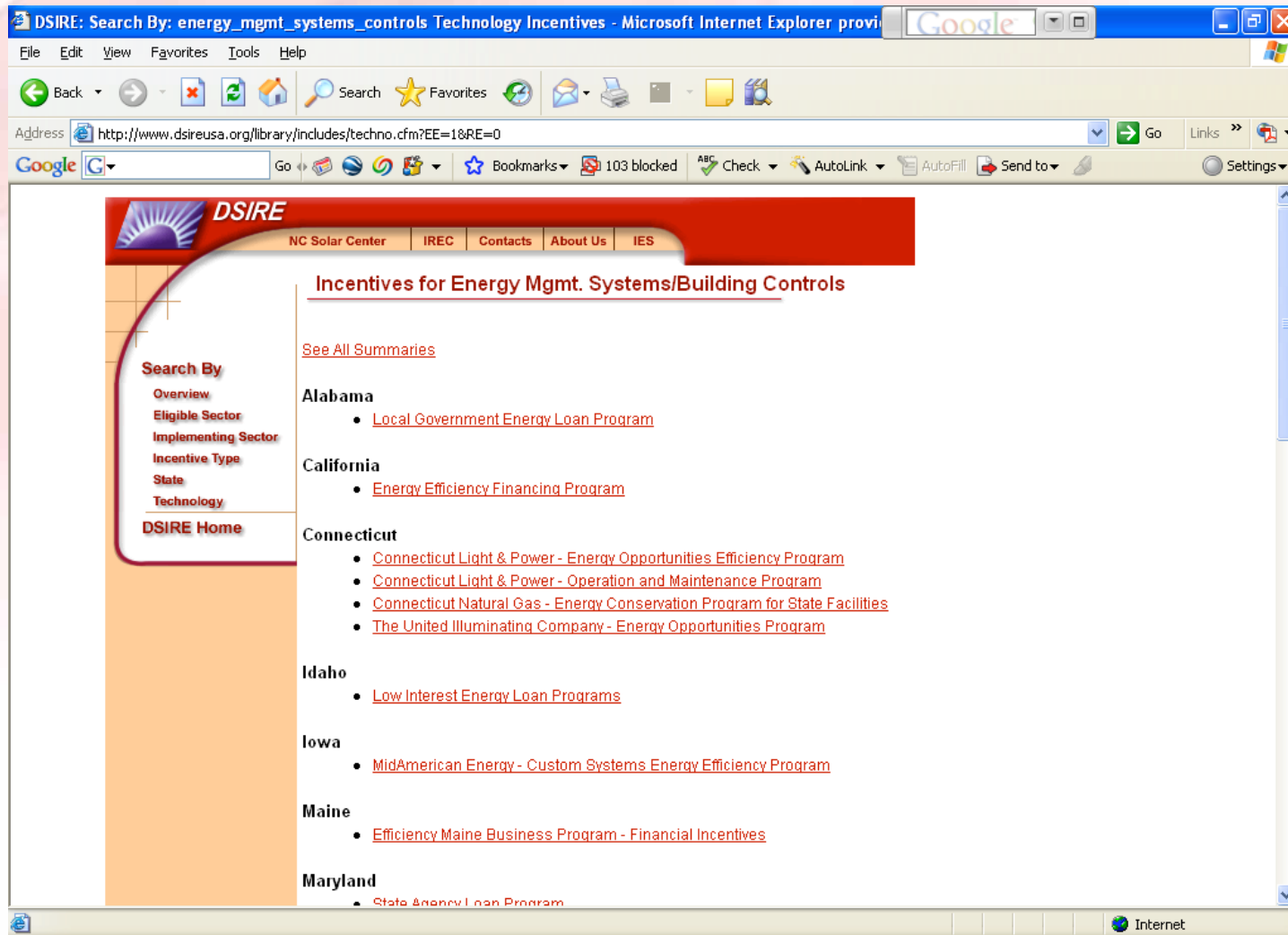
Internet

# DSIREusa.org





DSIREusa.org



# Rebates & Incentives

- **Types of rebates/incentives**
  - Equipment efficiency improvements
  - Demand response programs
  - Distributed generation
  - Technical assistance & other
- **Project must be in a “rebate friendly” state**
- **Components used must meet efficiency guidelines**
- **Rebate applicant usually party appearing on utility bill**

# Eligible Technologies

- Lighting, HVAC, motors/drives
- Building envelope (e.g., window film, cool roof)
- Process technologies
- Energy Mgmt. Systems (EMS) & controls
- Other (e.g., gas, water, renewables, custom measures)
- Projected savings must be defensible and persistent

# Lighting Rebate Eligibility

- **Facility size** — electrical load and/or square feet (may determine which program is applicable)
- **Technology** — latest commercially available technologies
- **Restrictions** — controls, THD, and/or power factor specifics

*Some require lighting system performance to exceed State building codes or industry standards by 10% or 20%*

# Rebate Program Types

- Prescriptive Measures
- Performance Measures
- Custom Measures

# Prescriptive Rebates

- Set rebate amounts for specific measures or components
- Limitations may include capped rebate amounts, restrictive technologies

# Performance Rebates

- **Rebates based on calculated energy savings**
- **Measurement and Verification (M&V) may be required, and if so, must meet pre-set savings level**
- **Payments may be staged based on M&V**
- **Detailed Energy Analysis (DEA) may be required**
- **Pre- & post-construction inspections may be needed**

*Be sure to file early enough in the process!*

# Custom Measures

- **Often new and innovative ways for reducing demand**  
(not simply a one-for-one replacement)
- **M&V may be required**
- **Detailed proposal & savings analysis** (prior to purchasing materials)
- ***Custom Measures must represent permanent wattage reductions***



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# Best Practice Ingredients

- **Utility jurisdictions relevant to your facilities**
  - Existing spaces (stores, distribution centers, other)
  - Remodeling targets
  - New construction targets
  - Energy-related maintenance activities
- **Matching program timelines to your timelines**
  - Funding cycles are not always calendar year!
  - Some \$\$\$ is extremely short-lived! (e.g., Texas)
  - Might have to pre-file to qualify
  - Might have to buy equipment AFTER pre-filing/approval

# Best Practice Ingredients (cont'd)

- **Equipment specifications**
  - Energy efficiency of existing specs?
  - Willing to increase EE to get rebate to cover added cost?
  - Can/does “***...or equivalent***” lower EE (and rebate eligibility)?
  - How far ahead do you order equipment?

# Best Practice #1: Communication...

## *...with utilities*

- | Get to know the program managers!
- | Know when funding windows open/close
- | Understand which program gives the most \$\$\$
- | Know what qualifies as a “custom measure”
- | Negotiate M&V to simplify savings verification

# Best Practice #1: Communication...

## **...with utilities** (*cont'd*)

- | Know when free design assistance is available
- | Know if multiple apps can be consolidated
- | Know how rules apply to national accounts
- | Emulate successfully funded projects

# Best Practice #1: Communication...

## *...with partners*

- ⌋ Maximize cost-effective EE given rebate climate
- ⌋ Avoid "...or equivalent" substitution if less efficient
- ⌋ Have accurate equip. specs/counts before/after
- ⌋ Use proper invoice format & timing
- ⌋ Adhere to guidelines when purchasing equipment

# Communication...

## ***...throughout your organization***

- | Can **Construction** give you enough advance notice on remodels & new sites?
- | Can **Procurement** enforce the equipment specs needed to qualify?
- | Can **Maintenance** tell you when they're ready to change energy-related equipment?
- | Can **A/P** get you copies of invoices?
- | Can **CFO** pool all rebate \$\$\$ for other EE initiatives?
- | *Can you record & leverage past filing successes to help guide future equipment specs and rebate filings?*

## ***...with your landlord***

# Getting Your Share of > \$1 Billion

- **No capital project is too small to consider**
- **It's not just about retrofits!**
  - *New construction*
  - *Remodeling/renovations*
  - *Tenant fit-out*
  - *Typical energy/water retrofit campaigns*
  - *Emergency replacements of energy-related equipment*
  - *Feasibility studies*
  - *Remember to explore “custom programs”*
- **Some rebates are available retroactively**



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# 13 Tips for Successful Filing \*

## 1. Know who is eligible

*\* Excerpted from “Winning with Incentives,” Mark Jewell,  
**Energy & Power Management**, September 2005*

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5. Specify proper configuration

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- 10. Document changes

# 13 Tips for Successful Filing

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12. Monitor the measurement and verification (M&V) process

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- 11. Connect purchases with incentive approvals
- 12. Monitor the measurement and verification (M&V) process
- 13. Align all interests

# Following the Tips

- **Tip #3** turned a \$100K rebate into \$400K once \$50K M&V was added
- **Tip #6** could have avoided loss of a \$40K rebate due to non-compliant equipment
- **Tip #7** could have saved \$17K in rebates and \$49K in operating expenses over 10 yrs.
- **Tip #10** could have preserved a \$70K rebate

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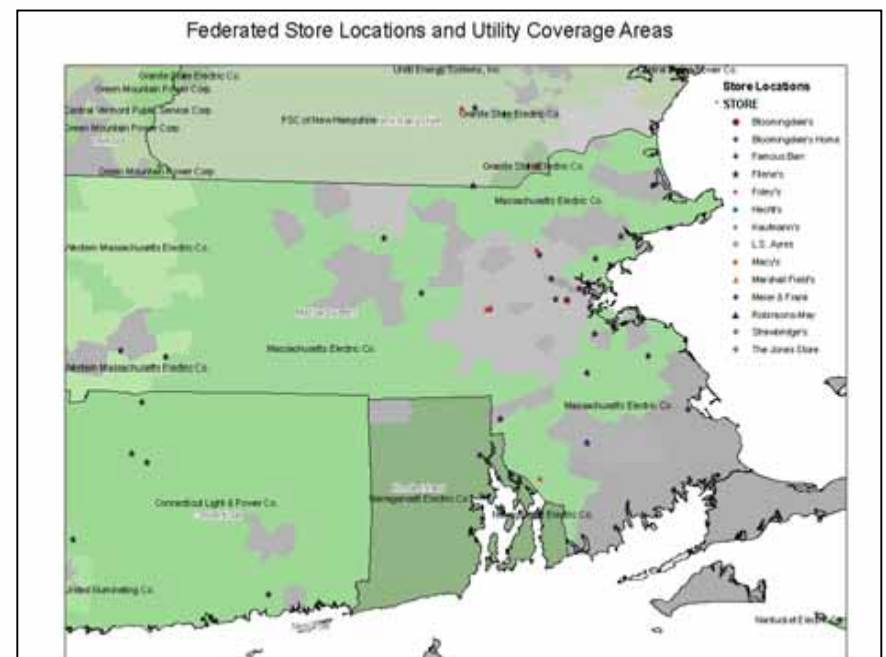
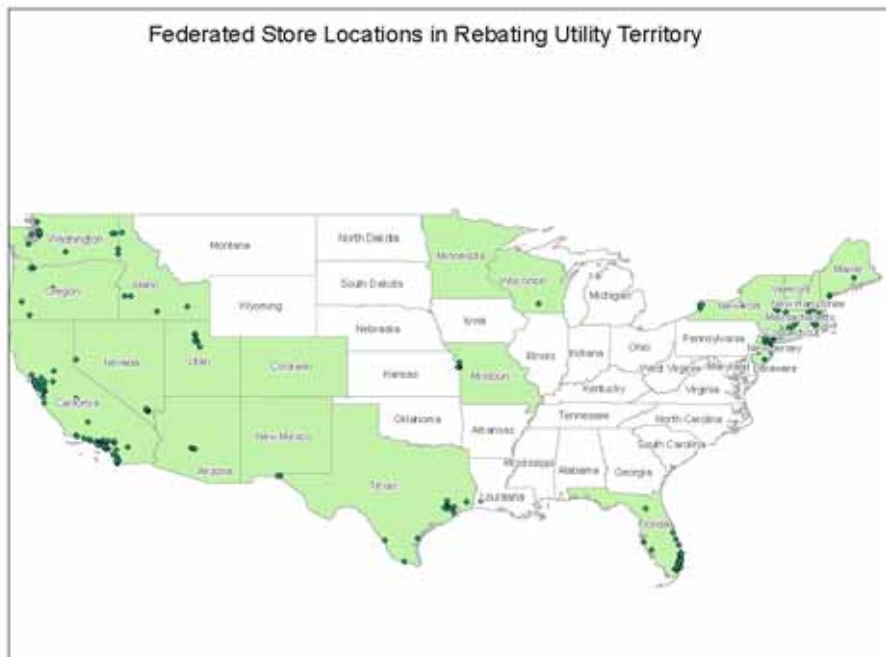


# Advanced Mapping Approaches

- Goal: accelerate new technology adoption while satisfying stated hurdle rate (e.g., max SPP)
- Calculate paybacks site-by-site
  - Fixture count
  - Local costs for labor and materials
  - Site-specific utility rates
  - Site-specific rebate eligibility
- Develop weighted-average paybacks
  - By utility
  - By region
  - By country

# Advanced Mapping Approaches

Display results on Excel sheets or GIS maps  
to facilitate decision-making



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# National Rebate Outlook

- Rebate eligibility continues to change
- Demand & renewable programs rising
- More states/programs coming into the mix
- Projects ineligible under Prescriptive or Performance might qualify under Custom
- Final rebate \$ approval >> discretion of utility/agency

# Summary on Rebates & Incentives

- Never assume a project will or won't qualify
- Plan ahead to maximize eligibility
- Think about rebate *and* EPACT eligibility
- Maximize communication among stakeholders
- Know what a good job looks like & make it a priority
- ***Remember those best practices and tips!***

“Every winning strategy needs  
a winning mechanism.”

- Jim Collins, author of *Good to Great*

### WINNING STRATEGY...

**Claiming all of the incentives you deserve**

### WINNING MECHANISM...

**Making incentives screening & filing a no-exceptions best practice**

# Additional Resources

## **"Winning with Incentives"**

Energy & Power Management, September 2005

## **"Run for the Rebate"**

Chain Store Age, November 2003

## **"Connecting the Dots"**

Energy & Power Management, June 2006

## **"Tales of Gains and Losses"**

Energy & Power Management, August 2006

Visit [www.realwinwin.com](http://www.realwinwin.com) for these & other resources

**Thank you!**  
**For questions/comments...**

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