



PIX 16425

Madigan Army Medical Center is one of the 4200 buildings on Fort Lewis that received energy-efficient improvements recommended through a UESC.

The U.S. Department of Energy's (DOE) Federal Energy Management Program (FEMP) facilitates the Federal Government's implementation of sound, cost-effective energy management and investment practices to enhance the nation's energy security and environmental stewardship.

UTILITY REBATES AND INCENTIVE PROGRAMS

Approximately \$3.6 Billion in Rebates, Incentives, and Demand Response Programs are Available Annually

Reducing energy costs through energy efficiency and demand response programs is good for both Federal facilities and utilities. Utilities benefit from reducing energy consumption demand at peak times because there is less need to add additional capacity through costly construction projects. Also, as more utilities are faced with competition, responding to customer requests with energy service programs increases their chances of retaining large accounts.

The U.S. building sector consumes 40 percent of the total primary energy produced each year. To encourage Federal facilities and other large consumers to reduce energy use and peak demand, utilities and other program administrators in more than 32 states offer financial incentives and technical assistance.

Program Categories and Definitions

Several types of rebate and incentive programs exist for renewable energy and energy efficiency. The U.S. Department of Energy's (DOE) Federal Energy Management Program categorizes these programs into the following:

- Public purpose programs administered by utilities, state agencies, or other third parties and paid for by utility ratepayers, typically through a non-bypassable system benefits charge instituted as part of restructuring legislation or rules.
- Utility programs administered by local utilities and paid for by utility ratepayers through bundled rates.
- Programs sponsored by state agencies designed to promote energy efficiency and renewable energy, usually funded out of general tax revenues.

Beyond general rebate and incentives are demand response and load management programs. These programs provide incentives to curtail demand during peak energy usage periods in response to system reliability or market conditions.

In 2008 alone, utilities offered more than \$3.1 billion in rebates and incentives for energy efficiency and approximately \$500 million for demand response programs. Incentives vary but may include:

- Free energy audits
- Rebates for efficient lighting or heating, ventilation, and air conditioning (HVAC) control systems
- Reduced costs for any number of efficient or renewable technologies
- Water conservation incentives



PIX 05259

This plant at the White Sands Missile Range converts natural gas to compressed natural gas for use in the facility's vehicle fleets, demonstrating how utility contracting simplifies procurement.

Sample Incentive Programs

Texas: In Texas, several utilities offer energy efficiency incentive programs, demand response options, and more. For example:

- Austin Energy offers a Commercial Rebate Program that covers air conditioning, lighting, roofs, chillers, and much more.
- CenterPoint Energy's program for commercial and industrial customers pays incentives for demand and energy savings from efficiency projects based on the savings in peak demand.
- Other utility programs offer solar hot water and photovoltaic rebates, residential energy efficiency rebates, and more.

Northeast: National Grid, in partnership with other utilities and statewide programs offer rebates in New York, Massachusetts, Rhode Island, New Hampshire and other areas. These include:

- The Cool Choice program provides rebates for high-efficiency HVAC equipment.
- The Large Business Program offers rebates for energy-efficient lighting, HVAC equipment and more. The program also offers technical assistance to help identify, implement, and evaluate opportunities. Competitive financing for efficiency projects is also available.
- The Small Business Program pays 80 percent of the installation cost for small business energy saving improvement projects.



PIX 09048

This concentrating solar system supplies hot water for domestic use to the Federal Correctional Institution in Phoenix, Arizona, and its 1100 male inmates and 325 employees.

New York: The New York State Energy Research and Development Authority (NYSERDA) funds energy efficiency and load management programs. These programs include:

- Tier 3 of the Enhanced Commercial/Industrial Performance Program is a standard performance contracting program offering incentives to energy service companies that install cost-effective efficiency measures.
- Tier 1 of the same program provides incentives to offset up to \$10,000 of the incremental cost of energy-efficient electrical equipment in small renovations and equipment replacement projects.
- The New York Independent System Operator (NYISO) program offers three demand response programs, including the Emergency Demand Response Program to voluntarily reduce consumption and/or operate on-site generation during periods of electricity reserve shortage in New York.

Utilities may also help arrange third party financing for the capital costs of a project. In this scenario, the customer pays off the loan to the financial institution from the energy and cost savings that are produced by the project. The net cost to the Federal agency remains minimal and the agency saves time and resources by using the comprehensive services provided by the utility.

Resources and Contacts

A complete list of programs offered by state is available online at:

<http://www1.eere.energy.gov/femp/financing/energyincentiveprograms.html>

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