

Incentives for Energy Efficiency and Renewable Energy

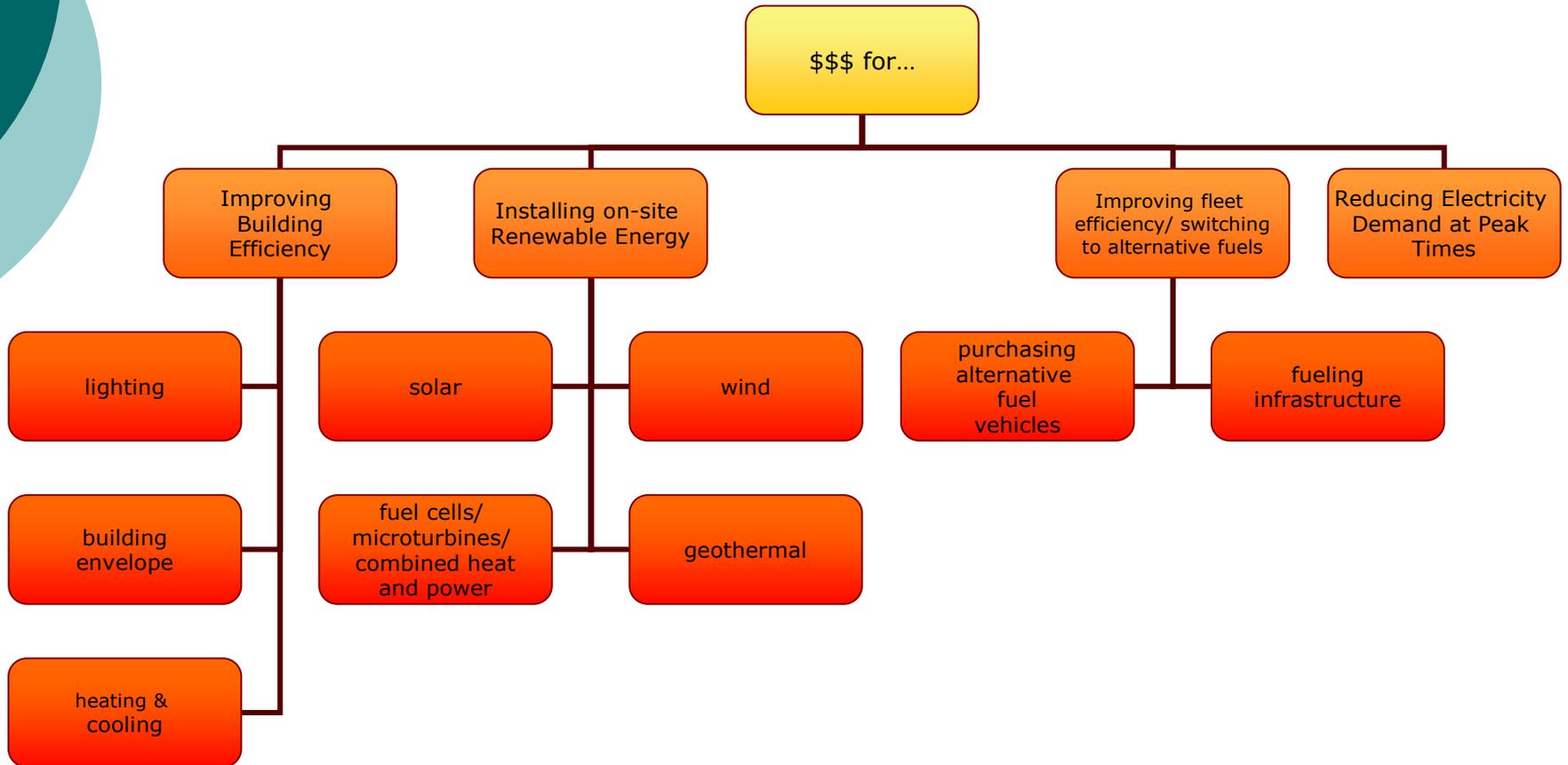
Rachel Bullene
VA DEQ Office of Pollution Prevention
February 3, 2009



Want to make improvements to your facility but don't have the capital?

- State Incentives: Grants and rebates (DMME)
- Tax Incentives: Tax credits, deductions, and exemptions
- Utility Incentives: Demand Response Programs
- Energy Performance Contracting and low interest loans

Incentives are available for...



Websites to Check for Efficiency and Renewable Energy Incentives

- Virginia Department of Mines, Minerals and Energy (DMME) webpage about American Recovery and Reinvestment Act (ARRA) funds to establish several new programs that support energy efficiency and renewable energy development (www.dmme.virginia.gov/DE/ARRA-Public/ARRA.shtml)
- The Database for State Incentives for Renewables & Efficiency (DSIRE) tracks federal, Virginia, local, and utility incentives (www.dsireusa.org/)
- The Tax Incentives Assistance Project is designed to give consumers and businesses information they need to make use of the federal income tax incentives for energy efficient products and renewable energy technologies (www.energytaxincentives.org/)

Websites to Check for Efficiency and Renewable Energy Incentives (cont.)

- ENERGY STAR webpage listing federal incentives for energy efficiency(www.energystar.gov/index.cfm?c=products.pr_tax_credits#s6)
- The Alliance to Save Energy website explains the federal tax incentives for energy efficiency and also has many tips and resources to help you save energy (www.ase.org/section/audience/consumers/taxcredits)



Efficiency Improvements

- Building Improvements
 - building envelope (insulation, windows, doors), heating and cooling, lighting
- Equipment/ Process Improvements
 - motors and drives, compressed air or steam system upgrades



Federal Tax Incentives



- **Corporate Tax Deduction for Commercial Building Efficiency.**
 - **Potential Applicants: Commercial, Government (deduction goes to designer), Construction**
 - A tax deduction of up to \$1.80 per square foot is available to owners or designers of new or existing commercial buildings that **save at least 50% of the heating and cooling energy of a building that meets ASHRAE Standard 90.1-2001**. Partial deductions of up to \$.60 per square foot can be taken for measures affecting any one of three building systems: the **building envelope, lighting, or heating and cooling systems**. These tax deductions are available for systems placed in service from January 1, 2006 through December 31, 2013.
- More Information:
http://www1.eere.energy.gov/buildings/tax_commercial.html

Virginia Tax Incentives

- **Energy Efficient Buildings Tax Exemption ([Code of VA §58.1-3221.2](#))**
- This statute allows any county, city, or town to exempt or partially exempt energy efficient buildings from local property taxes. Eligible buildings are those that:
 - exceed the energy efficiency standards prescribed in the Virginia Uniform Statewide Building Code by 30 percent or
 - meets or exceeds performance standards of the Green Globes Green Building Rating System of the Green Building Initiative or
 - meets or exceeds performance standards of the Leadership in Energy and Environmental Design (LEED) Green Building Rating System of the U.S. Green Building Council or
 - meets or exceeds performance standards or guidelines under the EarthCraft House Program or
 - is an Energy Star qualified home
- Localities offering exemptions: [Charlottesville](#), [Roanoke](#), [Spotsylvania](#)

Virginia Energy Efficiency Rebate Program

- The commercial rebate cap for any and all combination of efficiency upgrades is \$4,000 without an audit, \$4,250 with an audit. Items that qualify for these rebates include:
 - An **energy audit**
 - **Programmable thermostats**
 - **Heating and cooling equipment:**
 - **Building envelope**
 - **Commercial lighting upgrades**
 - **High efficiency motors and drives**
 - **Compressed air or steam system upgrades**
- **Availability of funds to be announced at a later date**
- Sign up to be emailed when funding is available:
<http://206.113.151.142/rebate/>

On-site /Renewable Energy

- Solar (photovoltaic and thermal)
- Wind
- Fuel Cells
- Microturbines
- Combined Heat and Power
- Geothermal



Federal Incentives

- **Business Energy Investment Tax Credit *or* Renewable Energy Grants**
 - Potential Applicants: tax paying entities
 - 30% of cost of solar property, small wind turbines, fuel cells (with caps on wind and fuel cells)
 - 10% of cost of geothermal, microturbines, combined heat and power
 - Tax credit available for eligible projects placed in service by December 31, 2016
 - Grants are available to property placed in service in **2009 and 2010**. Grant applications must be submitted by **10/1/2011**
- More information about the grants:
<http://www.treas.gov/recovery/1603.shtml>

Virginia Tax Incentives

- **Solar Energy Equipment Tax Exemption** ([Code of VA § 58.1-3661](#))
 - passive solar space heat, active solar water heat, active solar space heat, solar thermal electricity, and photovoltaics
 - Localities offering exemptions: Albemarle, Alexandria, Charlottesville, Chesterfield, Dinwiddie, Fairfax County, Falls Church, Hampton, Hanover, Henrico, Isle of Wight, King and Queen, Loudoun, Lynchburg, Prince William, Pulaski, Roanoke, Spotsylvania, and Winchester
- **Wood, Alternative Energy, or Cogeneration Tax Exemption** ([Code of VA § 58.1-3662](#))
 - equipment that is used to convert from oil or natural gas to wood, wood waste, or any alternative energy source for manufacturing, or any cogeneration equipment
 - Localities offering exemptions: Dinwiddie, Henrico, Pulaski, and Winchester
- **Certified Pollution Control Equipment and Facilities Tax Exemption** ([Code of VA § 58.1-3660](#))
 - certified pollution control equipment and facilities, including equipment used to grind, chip, or mulch trees, tree stumps, underbrush, and other vegetative cover for reuse as a fuel
 - Localities offering exemptions: Alleghany, Amherst, City of Bedford, Bedford County, Campbell, Chesterfield, Cumberland, Danville, Dinwiddie, Franklin, Frederick, Front Royal, Giles, Grayson, Henrico, Hopewell, Isle of Wight, King William, Lynchburg, Manassas, Montgomery, Newport News, Norfolk, Orange, Petersburg, Portsmouth, Prince William, Pulaski, Radford, City of Richmond, Roanoke, Saint Paul, Salem, Shenandoah, Spotsylvania, Tazewell, Warren, Waynesboro, West Point, Winchester, Wytheville, and York

Virginia Solar and Wind Incentive Program

- **Small Wind Power Systems:** All wind power systems proposed will be evaluated on a case by case basis by DMME and an expert contractor. Amount of rebate shall not exceed \$1,500 per kilowatt of rated system capacity.
- **Solar Thermal (air or water):** Amount of rebate shall not exceed \$1,000 per kilowatt-equivalent. (See the Terms and Conditions to see how this is calculated).
- **Solar Photovoltaic Equipment:** Amount of rebate follows the schedule below up to a maximum of 200 kilowatts.

Rebate	Capacity
\$2.00/watt	for the first 10 kilowatts of system capacity
\$1.75/watt	for the next 10 kW (11 to 20 kW)
\$1.50/watt	for the next 10 kW (21 to 30 kW)
\$1.25/watt	for the next 10 kW (31 to 40 kW)
\$1.00/watt	for each additional watt up to maximum of 200 kW

- Availability of funds to be announced at a later date
- Check here for updates: <http://www.dmme.virginia.gov/DE/ARRA-Public/SEPRebate.shtml>

Alternative Fuels



○ **Virginia Biodiesel Grant Program**

- Provides reimbursement for incremental cost of biodiesel (blends B5 - B99) up to \$25,000 per fleet per year. Funding currently last through September 30, 2010 or until exhausted.
- Timing: RFA opens early January; Reimbursement provided on a quarterly basis after proper documentation is provided demonstrating difference between diesel and biodiesel blend.
- More Information: Email Chelsea at cjenkins@hrccc.org to be included on the announcement list.

DOE Clean Cities Program

- Funds incremental cost of alternative fueled and advanced technology vehicle purchases, and alternative fueling infrastructure.
- Timing: DOE Clean Cities typically releases a solicitation once every two years. Next solicitation expected 2011.
- More information:
<http://www1.eere.energy.gov/cleancities/>
- Contact your Virginia Clean Cities for more information on how to become involved and prepare projects for the next round: info@hrcc.org or 540-568-8896

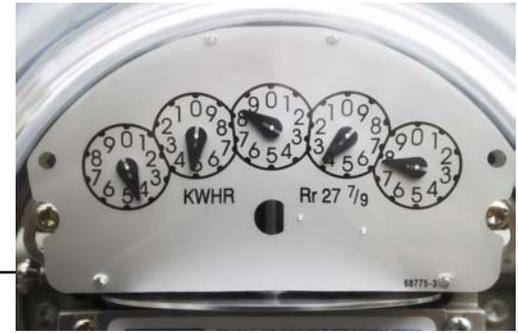


Vehicles



- Plug-in Electric Drive Vehicle Credits
 - minimum amount of the credit for qualified plug-in electric drive vehicles is \$2,500 and the credit tops out at \$7,500, depending on the battery capacity
- Low Speed and 2 or 3 Wheeled
 - credit is 10 percent of the cost of the vehicle, up to a maximum credit of \$2,500
- Conversion Kits
 - credit is equal to 10 percent of the cost of converting a vehicle to a qualified plug-in electric drive motor vehicle - maximum amount of the credit is \$4,000
 - Placed in service between Feb 17, 2009 and Dec. 31, 2011
- More on alternative motor vehicle credits:
<http://www.irs.gov/businesses/corporations/article/0,,id=202341,00.html>

Utilities



- Dominion: Incentives to start this spring pending SCC approval
 - HVAC, lighting, distributed generation, curtailment service program
 - www.dom.com

- Other load management/ demand response programs:
 - Allegheny Power's [Watt Watchers](#)
 - Franklin Municipal Power & Light's "[Cycle and Save Program](#)"
 - Northern Neck EC's [Load Management Program](#)
 - Northern Virginia EC's [Load Management Program](#)

Demand Response

- Curtailment service providers (CSPs): <http://www.pjm.com/Home/markets-and-operations/demand-response/csps.aspx>



Virginia Information Source for Energy

<http://www.deq.virginia.gov/p2/vise/homepage.html>

The screenshot shows the homepage of the Virginia Information Source for Energy (VISE). The browser address bar displays "Virginia DEQ - Pollution Prevention - VISE". The page title is "Virginia DEQ :: Pollution Prevention Home :: VISE :: VISE".

Main Menu

- Home
- Financial incentives
- Energy efficiency
- Renewable energy
- Alternative fuels
- Energy & the environment
- Distributed generation
- Hydrogen and fuel cells
- Green Power
- Questions about energy

ShareThis

Virginia Information Source for Energy (VISE)

Email: [Rachel Bullene](mailto:Rachel.Bullene)

Energy conservation and renewable energy technologies are important to Virginia's environmental and economic health as well as to the health of Virginians. Conventional energy produced from the burning of fossil fuels results in pollutants being emitted to the air. These emissions can be health hazards and contribute to the deposition of pollutants on land and in water.

Conservation and the promotion of cleaner renewable energy technologies can reduce the environmental impact of Virginia's energy needs and help reduce dependence on fuels from foreign countries. For these reasons, the Department of Environmental Quality's Office of Pollution Prevention is committed to promoting energy conservation and renewable energy technologies.

What's New

- November 18, 2009** Applications to the Efficiency and Solar and Wind Rebate Programs closed on November 18. Current requests to reserve rebates have exhausted the first round of funds. [read more](#)
- November 1, 2009** - Virginia DMME launches new energy efficiency and renewable energy rebate and grant programs. [read more](#)

Energy Star News

- [Water-to-Water Geothermal Heat Pumps Ca...](#)
- [ENERGY STAR Removed from 20 LG Refrigerator ...](#)
- [Food Processing Plants Earn EPA's ENERGY STA...](#)
- [Water-to-Water Geothermal Heat Pumps Can Now ...](#)
- [EPA Celebrates a Decade of Savings with ENERGY...](#)

May 12, 2009 - Virginia Submits Recovery Act Energy Program Application Virginia submitted its application to the U.S. Department of Energy for \$70 million under the American Recovery and Reinvestment Act of 2009 for the State Energy Program. [read more](#)

Energy Efficiency

Renewable Energy

Alternative Fuels

Energy and the Environment

Incentives

Questions about Energy



Contact

- Rachel Bullene
- Virginia DEQ
- Office of Pollution Prevention
- rachel.bullene@deq.virginia.gov
- 804-698-4122