



Puget Sound Energy, State and Federal Energy-Efficiency Incentives: Commercial Retrofits

King County Department of Development and Environmental Services (DDES) and the Department of Natural Resources and Parks (DNRP) Solid Waste Division GreenTools program have developed this tool to help facilitate and encourage your participation in Puget Sound Energy (PSE), state and federal incentive programs that promote energy efficiency and conservation in commercial retrofits.

The following incentives are covered in this document:

1. PSE energy-efficiency grants and rebates
2. Federal tax deductions and credits
3. State solar incentive

In addition, many local jurisdictions offer incentives, grants, and rebates to area residents. These financial incentives can be code or tax-based, or come in the form of cash paid for energy and conservation measures. Contact your local jurisdiction to find out about available resources in your area.

For questions, please contact Cynthia Moffitt at cynthia.moffitt@kingcounty.gov or 206-296-6792. For more about DDES green building programs, www.kingcounty.gov/greenpermits or DDES Information Bulletin 55, [Green Building and Low Impact Development](#).

1. Commercial Retrofit – PSE energy-efficiency grants and rebates

These energy efficiency custom grants and streamlined rebates for commercial retrofits are available through Puget Sound Energy (PSE).

PSE Business Energy Management Retrofit Grants

Upgrade the efficiency of your existing equipment or facility and you may be eligible for a customized energy-efficiency grant. PSE's grant incentives typically pay for about 50% of a project's cost, and may fund up to 70% of the installed cost. Grants often range from several hundred dollars to over a hundred thousand dollars. There's no limit to grant size as long as the upgrade meets funding and eligibility criteria. Major remodels may be eligible for incentives from the Business Energy Management new construction grants.

Common projects for energy-efficiency grant incentives include:

- Lighting retrofits (up to 50% of installed cost)
- HVAC systems and controls (natural gas and electric)
- Boiler upgrades (domestic hot water, heating, and process)
- Variable speed drive upgrades
- Compressed air system upgrades
- Industrial process systems and equipment
- Building commissioning
- Window replacements

Grant Eligibility Requirements

These rebates are available for all commercial projects within PSE service areas that install energy-efficient equipment that meets or exceeds efficiency in the applicable energy code. Retro-commissioning may also qualify the project for funding. All projects require application and pre-approval to qualify for funding.

More information and grant application forms are available on the PSE's "Efficiency Programs & Rebates: Custom Grants" page:
<http://www.pse.com/solutions/forbusiness/pages/customGrants.aspx?tab=1&chapter=2>

PSE Energy Efficiency Rebates Program

Small Business Lighting Rebate Program

This program is available to PSE customers served by commercial rate schedule 24 or 08, and on average covers 70% of lighting retrofit costs. Customers with a higher rate schedule can apply for lighting rebates through the commercial grant program. Customers must obtain pre-approval prior to ordering or installing materials.

Rebate Type	Incentive Range
Incandescent conversions	
Compact fluorescent bulbs– screw base CFL bulbs substitute for screw base incandescent bulbs	\$3 - \$12
New compact fluorescent fixtures	\$35 - \$55
New LED exit signs	\$50
New 4-FT fluorescent lamp fixture	\$70
Higher wattage incandescent and HID conversions	
Higher efficiency HID light sources (metal halide and HPS)	\$90- \$125
T8 or T5 fluorescent warehouse lighting	\$110- \$225
CFL higher-wattage wall packs	\$110- \$130
T12 fluorescent lamp and ballast (only) conversions	
"Lamp for lamp," using T8 lamps and electronic ballasts	\$50- \$55
T8 lamps and electronic ballasts, but with fewer lamps	\$60
Linear fluorescent conversion hardware kits and new replacement fixtures	
Rebate options for linear-tube fluorescent lighting include incentives for reducing lamp count (or lamp lineal footage)	\$50-\$95
Lighting Controls	
Occupancy sensor or timer controls, depending on wattage controlled	\$40 - \$80

More information, and rebate pre-approval forms are available on the PSE Efficiency Programs and Rebates Web page:
<http://www.pse.com/solutions/forbusiness/pages/comRebates.aspx?tab=2&chapter=1>

*Other Commercial Retrofit Rebates*

These rebates are available for all commercial projects within PSE service areas. Please visit the PSE website for rebate specific eligibility requirements and application process, as some require a pre-approval process and documentation review.

Rebate Type	Incentive Range	Other Information
Heating/Cooling		
Natural Gas Boiler Tune-up	100 % of the tune-up cost, up to \$600	Available for steam or hot water boilers over 300,000 Btu/hr that are equipped with power burners
Premium HVAC Rooftop Service Program	Up to \$1260 per unit	Paid to PSE approved HVAC contractors for advanced service performed on qualifying equipment
Seven-day Programmable Thermostat	Up to \$50 per unit	Must replace a non-programmable thermostat
High-efficiency HVAC Unit	\$30 per ton	For units larger than 65,000 Btuh that meet or exceed CEE Tier 1 standards
Electronically Commutated Motor (ECM)	\$0.12 per square foot served by HVAC fan	Retrofit of constant volume HVAC fan boxes with ECMs
Variable Speed Drive (VSD)	\$100 per driven HP	For HVAC fan motors and closed-loop HVAC pump motors
Appliances		
Vending Machine Controller	\$80 per controller	
High-efficiency Commercial Clothes Washer	\$200	Per qualified high efficiency coin operated commercial washer
Reach-in Refrigerators and Freezers	Up to \$200	Rebate amount dependent on type and size
High-efficiency Kitchen Equipment	Up to \$2,000	For qualifying commercial kitchen equipment
Other		
EnergySmart Grocer		Provides energy audits and information to optimize efficiency of grocer and food store facilities
Premium Efficiency Motor Rebates	\$2-\$20 per horsepower	For installation of new premium-efficiency three-phase motors. Rebate amount dependent on motor size and type.
Portable Classroom Rebates	100% of cost, up to \$350	Per 365-day programmable thermostat

More information, and rebate application forms are available on the PSE Commercial Energy Efficiency Programs and Rebates Web page:
<http://www.pse.com/solutions/forbusiness/pages/comRebates.aspx?tab=1&chapter=1>



2. Commercial Retrofit – Federal tax deductions and credits

Federal Tax Deductions – Heating and Cooling

These federal tax deductions and credits are available for systems placed in service from January 1, 2006 through December 31, 2013.

Eligibility Requirements

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 are eligible for a tax deduction of up to \$1.80 per square foot.

Partial deductions of up to \$0.60 per square foot are available for measures affecting any one of three building systems:

- Building envelope
- Lighting
- Heating and cooling systems.

More information is available on the Energy Star Federal Tax Credits Web site: http://www.energystar.gov/index.cfm?c=products.pr_tax_credits

Federal Tax Investment Credits – Combined Heat and Power

A 10% investment tax credit (ITC) is available for owners of combined heat and power (CHP) systems, applicable to only first 15 megawatts (MW) of CHP property.

Eligibility Requirements

To qualify, CHP system must be 60% efficient, produce at least 20% of its useful energy as electricity and at least another 20% as useful thermal energy; be smaller than 50MW; be constructed by taxpayer or have original use of equipment begin with taxpayer; be placed in service after October 3, 2008 and before January 1, 2017.

More information is available on the Tax Incentives Assistance Project (TIAP) Web site: <http://energytaxincentives.org/business/chp.php>

Federal Tax Credits and Grants – Renewable Energy Systems

Businesses are eligible for tax credits that cover 30% of the installed cost of approved solar water heating and photovoltaic systems, solar lighting, and small wind systems. Solar and wind systems must be placed in service between January 1, 2006 and December 31, 2016.

For geothermal heat pumps, businesses are eligible for either an investment tax credit of 10% of the installed cost (through 2016) or a grant worth 10% of the installed cost (for equipment placed in service between 2009 and 2010).

Eligibility Requirements

- Qualifying solar energy equipment must be used to generate electricity, to heat or cool or provide hot water to a structure, or to illuminate the inside of a building.
- Qualifying small wind systems must not have more than 100 kW of capacity.
- Qualifying geothermal heat pump units must meet the requirements of the Energy Star program at the time the heat pump is purchased.

More information is available on the Tax Incentives Assistance Project (TIAP) Web site: <http://energytaxincentives.org/business/renewables.php>



3. Commercial Businesses – State solar incentive

Washington State offers an adjusting scale production incentive to businesses that produce electricity using solar thermal, photovoltaics, wind or anaerobic digestion to produce power between July 1, 2005 and June 30, 2020. The incentive amount paid to the producer starts at a base rate of \$0.12/kWh and goes up to \$1.08/kWh, depending on project type, technology type, and where the equipment was manufactured. The incentive is capped at \$5,000 per year.

More information is available on the Database of State Incentives for Renewables and Efficiency (DSIRE) Web site:

http://www.dsireusa.org/library/includes/incentive2.cfm?Incentive_Code=WA27F&state=WA&CurrentPageID=1&RE=1&EE=0