

Efficiency & conservation opportunities abound

Matching grant program

APPROVED



By Kathi Risch

For co-op electric consumers considering energy efficiency upgrades, the time to act may be now.

The Basin Electric board of directors approved an energy efficiency and conservation program in the form of matching grants to Class A members at the May board meeting, which can be used to meet member efficiency needs. The board authorized \$1 million for the program for 2009. In addition, American Recovery and Reinvestment Act of 2009 (stimulus plan) is providing other incentives for efficiency improvements to consumers.

Energy efficiency funds provided by Basin Electric give members the

added means to meet growing demand and address rising energy costs to consumers as well as meet existing or potential state, regional and national energy efficiency mandates, says



Chris Baumgartner

Chris Baumgartner, Basin Electric manager of member relations.

Full details of the matching grant program are on the Basin

Electric members' Web site at www.basinmembers.com on the Conservation page under Programs. Co-ops must report

energy efficiency and conservation activity through the Web site so the grants will be released and forwarded accordingly.

Baumgartner says the program is designed to support energy efficiency programs that suit the members' needs. "It is up to the individual cooperative to use the funds in a manner that provides the most efficient and best economic solution for its own situation," he says.

Members must match

Each Class A member requesting energy efficiency and conservation dollars from Basin Electric must

contribute an equal dollar-for-dollar amount up to established maximums for each product.



Chad Reisenauer

“For example, a member-consumer wants to put in a geothermal heat pump, the minimum COP (coefficient of performance) they could install

and qualify for the program would be a 3.3,” says Chad Reisenauer, Basin Electric key accounts/energy conservation coordinator. “Anything under that would not qualify. As long as it has a COP of 3.3, we would be able to provide that consumer \$400, which the member-system must match, so the end-use

consumer would get a total of \$800 to reduce the cost of installing this highly efficient equipment. These funds are to help offset the higher initial cost of high efficiency products and/or appliances by the end-use consumer.”

Member cooperatives may not use Rural Utilities Service Energy Resource Conservation loans for their matching requirement.

Reporting

Each Class A member that uses the grant fund must complete a report of energy efficiency and

conservation rebate activity. This report needs to be provided to Basin Electric at the time of application. Items required for reporting include the size and efficiency of each heat pump, water heater and motor, and the type and number of compact fluorescent lights and appliances.

“This level of reporting will also help Basin Electric track what is being done as far as conservation and efficiency across the entire power supply system and help in our reporting to the various governmental agencies that require this information,” says Kathy Weisenberger, Basin Electric power requirements coordinator.

Matching Advertising Program

Members who promote their individual energy efficiency and conservation programs for their advertising and marketing communications efforts can use the Matching Advertising Program, a separate program. The Matching Advertising

Program provides a 50 percent match, up to \$2,600, for any member system of Basin Electric to promote products that use electricity, to promote electricity as the energy of choice, or to promote energy efficiency and conservation.

Details of advertising that qualify for this program and how to submit reimbursement requests can be found at www.basinmembers.com, on the Matching Ad Fund page under Programs.

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Chris Baumgartner, Basin Electric

What's that mean?

COP (coefficient of performance) —

Used to rate the performance of a heat pump, the COP is the ratio of the rate of useful heat output delivered by the complete heat pump unit (exclusive of supplementary heating) to the corresponding rate of energy input, in consistent units and under specific conditions.

EER (energy efficiency ratio) —

The ratio of cooling capacity of an air conditioning unit in Btus per hour to the total electrical input in watts under specified test conditions. Used for window air conditioners and ground-source heat pumps.

SEER (seasonal energy efficiency ratio) —

The total cooling output of a central air conditioning unit in Btus during its normal usage period for cooling divided by the total electrical energy input in watt-hours during the same period, as determined using specified federal test procedures.

Water heater energy factor —

The efficiency of water heaters is indicated by their energy factor (EF), which is based on recovery efficiency, standby losses, and cycling losses. The higher the EF, the more efficient the water heater. Electric resistance water heaters have EFs ranging from 0.7 and 0.95; gas water heaters from 0.5 and 0.6.

What qualifies?

Areas that qualify for support, maximum levels of reimbursement, and required minimum standards are listed below:

- Ground-source heat pumps.....\$ 400
(Required minimum: Energy Star® minimum criteria)
- Air-source heat pumps\$ 250
(Required minimum: Energy Star® minimum criteria)
- Motors:
 - ≤ 10 hp\$ 50
 - > 10 hp\$ 200
(Required minimum: premium efficiency)
- Water heaters\$ 50
(Required minimum: ≥ .90 energy factor)
- Compact fluorescent lights\$ 1
- Appliances:
 - Clothes washer\$ 50
 - Dishwasher, refrigerator & freezer\$ 15
(Required minimum: Energy Star® qualified)

Need details?

Members looking for more details on these programs can contact:

Grant Program

- Chad Reisenauer
701-557-5710
chadr@bepc.com
- Chris Baumgartner
701-557-5622
chrisb@bepc.com

Matching Advertising Fund

- Dennis Gad
701-557-5617
dgad@bepc.com

Want more?

Touchstone Energy Savers

www.touchstoneenergysavers.com

Federal Tax Credits for Energy Efficiency

<http://www.energystar.gov/taxcredits>



Federal stimulus bill offers additional assistance



Chris Vandeventer

Chris Vandeventer, Basin Electric legislative representative, says cooperatives should also direct their members to www.energystar.gov/taxcredits for details on the federal stimulus bill efficiency incentives.

Money is available to help many Americans weatherize homes and make energy efficiency improvements through the American Recovery and Reinvestment Act of 2009. Assistance is designed for lower income households, and applications are handled through each state's energy assistance office.

The stimulus plan provides a homeowner efficiency tax credit of up to \$1,500 – or 30 percent – of the cost for qualifying new energy upgrades, including weatherization activities as well as installation of efficient heating, ventilation, and air conditioning systems. Efficiency tax credits were already available for 2009, but carried a \$500 limit, with additional caps for certain types of upgrades,

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Chris Vandeventer, Basin Electric

and only covered up to 10 percent of a member's investment.

“This change effectively triples the amount of financial

investment you get credit for. Coupled with how much you can save on energy costs each year, it makes these efficiency measures much more affordable,” Vandeventer says.

Tax credits directly lower a member's federal income taxes, and are generally more valuable than tax deductions because they reduce taxes owed dollar-for-dollar. In contrast, a tax deduction, like a home mortgage or charitable gift, lowers taxable income and may only offer small savings. For example, a \$1,500 tax deduction for someone in the 25 percent tax bracket would lower taxes owed by \$350; a \$1,500 tax credit for energy efficiency efforts will lower taxes owed by \$1,500.