



## **Incentives are beginning to dim for lighting retrofit projects**

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There are many utility sponsored incentives offered to stimulate lighting energy efficiency projects throughout New York State. These incentives have been implemented to ease the demand on our power utilities, reduce carbon emissions, and provide a positive impact on "green jobs" for our improving economy. These incentives result in reduced time for the return on investment.

These incentives are beginning to dim in our neighboring state of N.J. where prescriptive lighting incentives will be eliminated for existing T12 fixtures. The retrofit savings baseline will shift from T12's to T8's, effective March 1. It makes little sense to offer incentives for a change that is now required, (T12 ballasts not being available for replacement). It is common sense that N.Y. will not be far behind making similar changes.

In the NY ConEd arena, other changes are occurring. For now the T12 to T8 program appears to have avoided the dimmer. ConEd alternatively drew their attention to the commercial and industrial LED lighting project incentives instead. Incentives will now be evaluated based on different lifetime hours of operation. The changes impact the programs within NYS; these incentives are funded by the System Benefit Charge (refer to your monthly invoice).

Some question whether utilities will soon take an opposite approach. This approach may not offer incentives for change to higher efficiency but to "tax" those who do not make prescriptive measures to increase efficiency throughout facilities. This may extend beyond lighting, into HVAC and building envelope.

With potential changes on the horizon it will benefit to avoid the dimmer on incentives. Technologies for lighting efficiency have evolved, enabling some suppliers to offer up to 10-year guarantees, reduced costs resulting in high returns, and low interest rates from project managers if financing is required; it serves common sense that a need for an impetus in the form of an incentive does not exist.

Looking back over the years, business owners were reluctant to switch to LED lighting. But a shift is underway, it appears in a few short years the incandescent will be a passing thought, and CFLs will be looked upon as a misguided poison laced stepping stone to where we are headed. LEDs will offer a bright future for lighting projects whether incentives are dimmed or not.

TLR Energy has been a provider of market-based and technology solutions to clients since 1990. TLR's clients span international and are leaders in the dialogue on efficiency, sustainability and energy procurement.

Michael Thaler is president of TLR Energy Inc., New York, N.Y.