

Small and Medium-Sized Businesses Can Unlock Big Savings

Small and medium-sized businesses are unlocking big savings through energy efficiency upgrades. New, proven equipment can expand profit margins while offering improvements in customer retention, worker comfort, facility attractiveness and performance.

Across Greater Philadelphia, businesses of all types and sizes are taking advantage of PECO's energy efficiency solutions. Incentives are available for energy-efficient lighting; heating, ventilation and air conditioning (HVAC) systems; refrigeration and food service equipment; and much more.

Small and medium-sized businesses that invest strategically can cut utility costs 10–30%¹ without sacrificing service, quality, style or comfort. Investing in energy efficiency can dramatically improve a business's bottom line and reduce vulnerability to energy price risks.

For example, if an investment in energy efficiency saved \$1,000 per year, businesses operating at a net margin of 3% would have to generate over \$33,000 in sales every year to earn the same amount of money. For most small and medium-sized businesses, investing in energy efficiency is just a lot easier.

Yet a recent survey of National Small Business Association members² found 84% had not received an energy audit, mostly due to lack of time or understanding of the audit process.

PECO has certified dozens of local contractors who are available to identify and implement cost-effective equipment or process upgrades. The selection process is made simple by visiting the PECO Smart Ideas for Your Business Contractor Database.³ Search by location, contractor services or company name.



Once efficiency upgrades are identified, PECO offers a wide range of rebates to assist in lowering project costs. Incentives are offered for:

- **Interior and Exterior Lighting:** A variety of LED lamps and TLED tubes, high-bay and low-bay fixtures, canopy fixtures and parking lot kits qualify. Even permanent fixture removal can qualify in situations where LEDs provide brighter illumination through fewer total fixtures. LEDs typically use 25–80% less energy⁴ than traditional incandescent bulbs and can last up to 25 times longer, saving on maintenance and operating costs. Customers can save instantly at checkout if purchasing through a participating distributor.⁵

- **HVAC:** Comfort systems including high-efficiency air conditioners, heat pumps, packaged terminal air conditioners (PTACs), unitary HVAC chillers and demand-controlled ventilation units, all qualify on a per-ton basis. Rebates are also available for retrocommissioning, the process of ensuring HVAC systems are designed, installed and maintained according to operational specifications. Retrocommissioning can cut energy bills by 10–15%.
- **Water Heaters:** Heat pump water heaters as well as ENERGY STAR® certified commercial gas water heaters qualify in instances where a PECO customer switches from using an electric water heater.
- **Controls:** Energy management systems, otherwise known as building automation systems, can qualify. Consider lighting sensors, demand-controlled ventilation and HVAC variable frequency drives. Energy management systems can yield energy savings of more than 30% in older or poorly maintained buildings through the centralized control of HVAC, lighting and other building systems.
- **More:** Data center upgrades, refrigeration equipment and controls, food service equipment and custom retrofit measures.

Beyond rebates offered through PECO, business owners can leverage several state and federal incentives to finance their energy efficiency projects. The following grants, loans and tax deductions are available for businesses investing in energy efficiency:

- Pennsylvania's Department of Community and Economic Development⁶ offers loans for up to 50% of project costs or grants for as much as 30%.
- Pennsylvania's Small Business Advantage Grant Program⁷ offers businesses with fewer than 100 employees matching grants covering 50% of project costs.
- The Pennsylvania Industrial Development Authority⁸ provides low-interest loans and lines of credit.
- IRS Section 179D⁹ allows a tax deduction of up to \$1.80 per square foot for reducing energy costs at least 50%, or partial deductions totaling \$0.60 per square foot.

PECO offers an express application process to make applying for incentives quick and easy. Retrofit lighting and many HVAC projects qualify for an express application process.

▶ Business owners interested in unlocking the energy efficiency potential within their properties or facilities should contact PECO at **1-844-4BIZ-SAVE** (1-844-424-9728) or visit peco.com/biz.

¹ <https://www.energystar.gov/sites/default/files/buildings/tools/SPP%20Sales%20Flyer%20for%20Small%20Business.pdf?elqTrackId=6c2ead2d719a4cb8bb9bcac444b12c26&elqat=56&elqat=2>

² https://www.nsba.biz/docs/2011_energy_survey.pdf?elqTrackId=19abdd00e74b4a2aafa39f4079395abc&elqat=56&elqat=2

³ <https://pecotradeallies.icfwebservices.com/?elqTrackId=c0a90ed96fb04138b786e53efd367296&elqat=56&elqat=2>

⁴ <https://www.energy.gov/energysaver/save-electricity-and-fuel/lighting-choices-save-you-money/how-energy-efficient-light?elqTrackId=90d8d846c40947c9bdf9839f136a8895&elqat=56&elqat=2>

⁵ peco.com/InstantDiscounts

⁶ <https://dced.pa.gov/programs-funding/commonwealth-financing-authority-cfa/energy-programs/?elqTrackId=4137b8ae29114f898c17529ddd8741ef&elqat=56&elqat=2>

⁷ <https://www.dep.pa.gov/Citizens/GrantsLoansRebates/SmallBusinessOmbudsmanOffice/Pages/Small%20Business%20Advantage%20Grant.aspx?elqTrackId=46c1284c82fc4b5fae14f4892049b9c3&elqat=56&elqat=2>

⁸ <https://dced.pa.gov/programs/pennsylvania-industrial-development-authority-pida/?elqTrackId=09079a890ad54adc861e5234d36365f8&elqat=56&elqat=2>

⁹ <https://www.energy.gov/eere/buildings/179d-commercial-buildings-energy-efficiency-tax-deduction?elqTrackId=710098c485434ad0a974b5d5fac7f40e&elqat=56&elqat=2>