

Business Rebates Incentives Overview

Effective January 1, 2024



LG&E and KU offers incentives to its business customers who:

- participate in the Company's Demand-Side Management Cost Recovery Mechanism **AND**
- complete qualified energy efficiency related projects.

There are six incentive types currently available:

- One-to-one replacement
- Compressed air system upgrades
- Chilled water reset
- New construction or major renovation
- Energy audit
- Custom energy efficiency incentives

One-to-One Replacement Incentives

Incentive amount cannot exceed 75% of the material cost.

LIGHTING

LED Lights*

Fixtures	Incentive per fixture
LED Troffer	\$10
LED High Bay	\$25
LED Refrigerated Display Light	\$9
LED Tube	\$3
Interior \geq 50W	\$6
Exterior: LED Other	\$13
Wall Pack & Canopy Fixtures \leq 150W	\$20
Wall Pack & Canopy Fixtures $>$ 150W	\$30
Pole Light \leq 250W	\$35
Pole Light $>$ 250W	\$55

* Any LED lamps or ballasts must be ENERGY STAR® certified or listed on the Design Lights Consortium (DLC) qualified list.

Other Efficient Lighting Controls

Fixtures	Incentive
Interior Occupancy Sensor, Photo, Daylight, Timer, Turning	\$0.03 per controlled watt

Calculation for Sensor incentive = \$0.03 cents times total quantity installed times installed lamp wattage per room or area being controlled. Lighting controls connected to exterior lighting are not eligible for an incentive.

MOTORS

Installed Nominal Efficiency for Motors

HP	Open Drip Roof			Totally Enclosed Fan-Cooled			Incentive per HP
	1200 RPM	1800 RPM	3600 RPM	1200 RPM	1800 RPM	3600 RPM	
$>$ 250	95.8	95.8	95.4	95.8	96.2	95.8	\$2

Nominal Full-Load Efficiencies of NEMA Design A, NEMA Design B and IEC Design N, NE, NEY, or NY Motors (Excluding Fire Pump Electric Motors and Air-Over Electric Motors) at 60 Hz.

PUMPS

Nominal Efficiency for Pumps

HP	Efficiency	Incentive per pump
7.5 HP	Efficiency of 73% or more for system	\$50
10 HP	Efficiency of 75% or more for system	\$60
15 HP	Efficiency of 77% or more for system	\$100
20 HP	Efficiency of 77% or more for system	\$150
30 HP	Efficiency of 77% or more for system	\$200
40 HP	Efficiency of 77% or more for system	\$250
50 HP	Efficiency of 77% or more for system	\$300

LG&E and KU reserve the right to revise program requirements and incentive levels at any time subject to approval of the Kentucky Public Service Commission. Incentives are subject to availability.

VARIABLE FREQUENCY DRIVES (VFDS)

Variable Frequency Drives

Description	Incentive per hp
All Sizes (horsepower)	\$16

CHILLERS

Air-Cooled Chillers

Minimum ARI Efficiency	Incentive per ton
1.06 kW/ton full load	\$5/ton

Water-Cooled Chillers

Size Range	Minimum ARI Efficiency	Incentive per ton
< 150 tons	0.66 kW/ton full load 0.54 kW/ton partial load	\$3/ton
150-300 tons	0.58 kW/ton full load 0.49 kW/ton partial load	\$3/ton
> 300 tons	0.53 kW/ton full load 0.46 kW/ton partial load	\$3/ton

Compressed Air System Upgrade Incentives

Incentive amount cannot exceed 75% of the material cost.

Chilled Water Reset Incentives

Incentive amount cannot exceed 75% of the material cost.

COMPRESSED AIR SYSTEM UPGRADES

Description	Incentive
Compressed Air System Leak Repair on total system \geq 15 hp	\$75 per leak repaired
High Efficiency Compressed Air Nozzles—replacement of standard open blow-off nozzles	\$20 per nozzle
Compressed Air Low Pressure Drop Filters	\$2 per connected hp
Compressed Air No-Loss Condensate Drains	\$75 per drain
VSD on Air Compressor or Vacuum Pumps \geq 15 hp and \leq 150 hp	\$45 per hp
Air Compressor with integrated VSD \geq 15 hp and \leq 150 hp	\$45 per hp
Increase storage on Load/Non-Load (L/NL) Systems for installed storage \geq 2 gallons/cfm	\$1 per gallon
Decrease Compressed Air Discharge Pressure	\$50 per psi reduction
Desiccant Compressed Air Dryer	\$2 per cfm

CHILLED WATER RESET FOR AIR-COOLED AND WATER-COOLED CHILLERS

Description	Incentive per unit
Air Cooled Chilled Water Reset, 0-100 tons	\$100 per unit
Air Cooled Chilled Water Reset, 101-200 tons	\$200 per unit
Air Cooled Chilled Water Reset, 201-300 tons	\$300 per unit
Air Cooled Chilled Water Reset, 301-400 tons	\$500 per unit
Air Cooled Chilled Water Reset, 401-500 tons	\$800 per unit
Water Cooled Chilled Water Reset, 0-1,000 tons	\$300 per unit
Water Cooled Chilled Water Reset, 1,001-2,000 tons	\$800 per unit
Water Cooled Chilled Water Reset, 2,001-3,000 tons	\$2,000 per unit

New Construction or Major Renovation Incentives

Incentives are based on points awarded under the LEED v4 Energy & Atmosphere—Optimize Energy Performance, Advanced Energy Metering, and Demand Response categories and square footage of the building, per the chart below.

LEED NEW CONSTRUCTION OR LEED MAJOR RENOVATIONS

Energy & Atmosphere—Optimize Energy Efficiency Performance, Advanced Energy Metering, and Demand Response categories

Points	Less than 25,000 sq. ft.	Greater than or equal to 25,000 sq. ft.
1 to 5 points	\$2,000	\$4,000
6 to 10 points	\$2,500	\$6,000
11 to 15 points	\$3,000	\$8,000
16+ points	\$3,500	\$10,000

New Construction or Major Renovation

The incentive covers either a new construction project or a major renovation (e.g., building being repurposed, gutted—was a grocery store and converted to a fitness facility)

These incentives available within this category include lighting, heating, ventilation, air conditioning, or the building envelope (other energy efficiency actions taken beyond these may be evaluated as a Custom Rebate and submitted separately)

Applicant must complete and provide the results from the COMcheck-WEB™ tool, available from the DOE/EERE at <https://energycode.pnl.gov/COMcheckWeb>, with their application. There is a COMcheck-WEB™ tool for lighting separate from HVAC and building envelope.

The incentive amount will be \$0.03 per kWh and \$100 per kW of first-year savings as confirmed from the results of the COMcheck-WEB™ tool(s).

Energy Audit Incentive

Incentive amount cannot exceed \$3,000 per audit.

The energy audit incentive amount is 25% of the audit cost, not to exceed \$3,000 in total per audit. A customer who has completed an energy audit must apply for an energy audit rebate while also applying for another rebate category. A copy of the audit report, audit invoice, and proof of payment are required to be included with the application.

Custom Energy Efficiency Incentives

Incentive amount cannot exceed 75% of the material cost.

Equipment or energy efficient improvements that are not a one-for-one replacement, and not available through another incentive option, will be paid via a custom application at a rate of \$0.03 per kWh saved for the first-year savings plus \$100 per kW of peak demand reduced. Incentive amount cannot exceed 75% of the material cost.

This list gives examples of projects that may be considered for a custom application, but other projects are equally likely to qualify. **All Custom energy efficiency projects require you to submit a preliminary application before equipment is purchased and installed.** We are here to help you along the journey from technical guidance to energy savings calculations to completing the application form.

Controls—Example Applications and Concepts	Electric Heating and Cooling Concepts
Compressed air systems	Eliminate simultaneous heating & cooling
Energy recovery	Improved chilled water flow
HVAC controls	Minimize supply and return fan amps
Energy Management System (EMS)	Optimize operation during periods of low occupancy
Reduce equipment operational hours	Restore or improve economizer function
Match system operation to occupancy or line speed	Optimize supply air temperature and relative humidity