



How to Fund GHG Reduction Projects

Return on Investment

Luckily, many co-benefits are associated with reducing greenhouse gas emissions, including increased efficiency, reduced liability, and cost savings. Therefore, many GHG reduction projects will in time fund themselves through a reduction in electricity and heat bills, gasoline and water consumption, and raw material use. Certain projects will have a shorter return on investment than others, which is why low-cost projects are often implemented first. The U.S. Mid-Range Abatement Curve 2030 (Figure 3) can be referenced as a tool to assess the potential of different projects to reduce or prevent GHG emissions and associated costs. The tool analyzes more than 250 options, encompassing efficiency gains, shifts to lower-carbon energy sources, and expanded carbon sinks (such as forests or oceans which absorb and store more carbon than released) or carbon sequestration activities (activities that enhance carbon storage in trees and soils, preserving existing tree and soil carbon, and by reducing emissions of carbon dioxide, methane and nitrous oxide).

Rebates and Tax Credits

Another opportunity to fund greenhouse gas reduction projects is to take advantage of rebate programs and tax credits.

- Database of State Incentives for Renewables and Efficiency (DSIRE)
www.dsireusa.org
DSIRE is a comprehensive source of information on state, local, utility, and federal incentives and policies that promote renewable energy and energy efficiency. Established in 1995 and funded by the U.S. Department of Energy, DSIRE is an ongoing project of the North Carolina Solar Center and the Interstate Renewable Energy Council.
- Federal Tax Credits for Energy Efficiency
www.energystar.gov/index.cfm?c=tax_credits.tx_index
- Special Offers and Rebates from ENERGY STAR Partners
www.energystar.gov/index.cfm?fuseaction=rebate.rebate_locator
To encourage customers to buy energy-efficient products, ENERGY STAR partners occasionally sponsor special offers, such as sales tax exemptions or credits or rebates on qualified products. Partners also occasionally sponsor recycling incentives for the proper disposal of old products.
- The Tax Incentives Assistance Project
energytaxincentives.org/business/renewables.php

Grants and Low-Interest Loans

- Rural Energy for America Program
www.rurdev.usda.gov/rbs/farmbill/
This program currently funds grants and loan guarantees to agricultural producers and rural small businesses for assistance with purchasing renewable energy systems and making energy-efficiency improvements.
- Idaho Office of Energy Resources Low-Interest Loans
<http://energy.idaho.gov/financialassistance/lowinterestenergyloans.shtml>

Energy Services Companies (ESCO)

www.naesco.org

An ESCO is a business that develops, installs, and arranges financing for projects designed to improve energy efficiency and maintenance costs for facilities over a seven to twenty-year period. ESCOs generally act as project developers for a wide range of tasks and assume the technical and performance risks associated with the project. Typically, they offer the following services:

- develop, design, and arrange financing for energy efficiency projects
- install and maintain energy-efficient equipment involved
- measure, monitor, and verify the project's energy savings
- assume the risk that the project will save the amount of energy guaranteed

