

For Board Members and Property Managers of Co-ops and Condos™

HABITAT

ARTICLE ARCHIVE

TITLE	<i>Winning the Energy Lotto</i>
DESCRIPTION	<i>The Con Ed Multi-Family Energy Efficiency Program offers free energy audits and cash incentives for energy-saving efforts in your building.</i>
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ABSTRACT	Con Ed's energy incentive program, aimed at gas-burning buildings, offers a free energy audit with suggestions on how to increase your building's energy efficiency, such as installing an energy management system.
ARTICLE TEXT	<p>Read this article in the digital edition.</p> <p>Everyone knows that it's a good idea to get an energy audit of your building, but what if you could get one for free? What if you could also get free energy-saving gear for your residents' apartments and cash incentives on big-ticket items for your building?</p> <p>For buildings that burn gas, those aren't idle dreams anymore. They are exactly what the Con Edison Multi-Family Energy Efficiency Program is doing for gas-burning condos and co-ops that contain between 5 and 75 units.</p> <p>In the audit, an energy audit company contracted by Con Edison will come into the building and look at lighting, heating, and cooling systems and roof-and-pipe insulation, says Greg Elcock, manager of the Multi-Family Energy Efficiency Program. "We think our audit provides a good template for some low-hanging fruit and for some things that the building can pursue in the medium to longer term."</p> <p>One money-saving measure is a so-called energy management system, which uses sensors to monitor indoor air temperature. Once the inside temperature reaches a certain level, boilers shut down to prevent overheating. An energy management system costs between \$8,000 and \$30,000, depending on the size of the building, and is usually installed in buildings with at least 25 units. Con Ed's incentive for the system covers a whopping 70 percent of the cost.</p> <p>Another popular upgrade is for a high-efficiency hot water gas boiler. A model that is 90 percent efficient costs between \$1,500 and \$2,500 per dwelling unit. In comparison, a traditional hot water gas boiler costs about \$1,000 to \$2,000 per dwelling unit. The incentive increases for that high-efficiency boiler depending on the size. The smallest one (which would work for buildings with about six to eight units) brings a \$2,000 rebate per boiler; the largest (which could handle a building with about 40 units) offers an incentive of \$15,000 per boiler.</p> <p>Incentives are also available for lighting upgrades. Among the lighting incentives, there are ones for bi-level lighting fixtures that create a minimum level of lighting when vacant and then rise to a normal illumination once someone comes into the area. Elcock says those fixtures typically cost about \$300 per fixture; the incentive is \$150 per fixture.</p> <p>In addition to the building-wide measures, the program provides free in-unit energy savers. Residents can get up to six compact fluorescent light bulbs, one low-flow shower head, one faucet aerator, and one "smart strip," which powers down electronic devices when they are not in use. Residents can also get their own cash incentives for additional measures, such as a \$30 rebate for an Energy Star-rated room air conditioner and between \$100 and \$325 in rebates for energy-saving refrigerators.</p>

Total energy savings vary, but if about half the residents take advantage of in-unit energy-saving items and if a high-efficiency gas boiler, lighting systems, and energy management systems are installed in the building, a building can expect to save between 5 and 15 percent annually on gas and electric bills.

But the clock is ticking. In order to take advantage of the program's incentives, you must complete the work by the end of 2011. To participate, buildings must pay the Systems Benefits Charge, which funds the program. That means only properties that use gas year-round are eligible. Those that don't pay the charge and are therefore ineligible are ones that burn only oil or are dual-fuel (oil or gas) buildings.

One co-op that took advantage of the program is 55 Hudson Street, a 36-unit building in Tribeca. Board co-president Michael Pollack says they knew they needed to do something about the aging four-boiler system after one of the devices went kaput. The board decided to replace the entire 20-year-old system rather than just the single boiler, which would have cost at least \$12,000. Work was already under way when the board found out about the Con Ed program.

This past June, 55 Hudson installed three new boilers that are 85 percent efficient, cost \$95,000, were paid for by a three percent maintenance increase, and are maintained by the superintendent, Mark Broderick. Even with this season's brutal winter, the gas bill for the building was \$2,300 lower in December 2010 compared with December 2009, and gas usage was down six percent for that month. Pollack says they got back \$10,000 in incentives. "It's like hitting the Lotto," he says. "We didn't make that much when they used the building as a movie set."

While the energy audit indicated that the building would also see savings from lighting upgrades, Pollack says the board would have to take the issue back to shareholders at the annual meeting in May. "The savings cycle is not as immediate," he says. The boiler decision was easier to make because it needed to be done.

"As things burn out, you replace them with better technology," he adds. It's a hard sell to replace lights that are functioning with a newer, more expensive model, even if it saves money in the long run. "It's a big number and those things would require an increase in maintenance or an assessment, and that's a difficult thing to get people to sign up for."

Con Edison's motivations for the program? Elcock says the company is looking to make good environmental choices. But reduced energy demand also prevents the need for more infrastructure and increases system reliability.

If you decide to take action on some of the measures, say by installing a new boiler, you can use your own contractor or go with one of about 100 contractors screened by Con Edison. After an installation, Con Edison comes back into the building to make sure equipment was installed correctly and is working properly to save energy, which is a measure of "quality control," says Elcock. The process, from start to finish, generally takes about three months.

Buchbinder & Warren, the management agency, is planning to use the Con Ed program at about 30 or 40 buildings, says Carl Murray, project coordinator. At the same time, some of those buildings will also pursue Con Ed's oil-to-gas conversion program (see "The Big Switch," Habitat, January 2011).

One of the company's buildings had the energy audit done, but now the board is dragging its feet on taking action, Murray says. The audit showed that installing lighting upgrades would cost about \$4,100 after incentives but would reduce annual utility bills by \$4,400 a year and have a payback time of only about nine months. Murray says the board was still "poking holes" in the report.

He hopes to persuade them to make the suggested changes, but he says it illustrates how hard it can be to convince boards to spend a little money to save money – and energy. "A lot of these buildings are on boot string [budgets] at this point," he says. "Even if they can recoup their money, any kind of spending is hard."

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