



# Energy Cost Reduction Business Case

## Incentive management

### Challenge

Utilities across the country are working to facilitate energy efficiency improvement projects and provide significant incentives to their clients to encourage deeper retrofits. Unfortunately, as the incentive amount increases and becomes significant, the process to secure it gets even more complicated.

Incentive management, being a complicated process requiring subject matter expertise, when combined with scarce internal resources, presents a formidable challenge for many companies. The result can be to either ignore the incentives or ask vendors/service providers to manage it for them.

The vendors/service providers, typically struggling with similar issues, often go for the easiest approach (prescriptive type) which can deliver as low as only 25% of the incentive amount that would have otherwise been received by working with an incentive management expert.

### The Opportunity

Incentive dollars are a good way to extend the reach of available capital for retrofits. Incentives can improve the business case by a significant margin which can be critical in getting approval for the implementation of the project. In some cases, using incentive dollars can facilitate more retrofits in the same program while still achieving the projected financial benefits in terms of IRR or NPV.

Opting for custom or performance-based incentives can yield up to 50% of the total project implementation cost in some cases which can make a significant difference in the business case for implementation.

Hiring Star Energy can help you to keep your internal resources free while ensuring that you secure the maximum amount of available incentives.

### Issues

- **Complicated:** Cumbersome paperwork, measurement and verification required
- **Time sensitive:** Obtaining pre-approval from the utilities is typically critical to ensure that the funds can be effectively embedded in the financial analysis.
- **Subject matter expertise:** required for proving the savings with utilities and third-party verification agencies engaged by utilities.
- **Lack of internal resources:** Internal resources do not have enough time to chase the progress of applications which is time consuming process.
- **Expensive:** Hiring a third-party expert is expensive and will take away most of the incentive dollars.

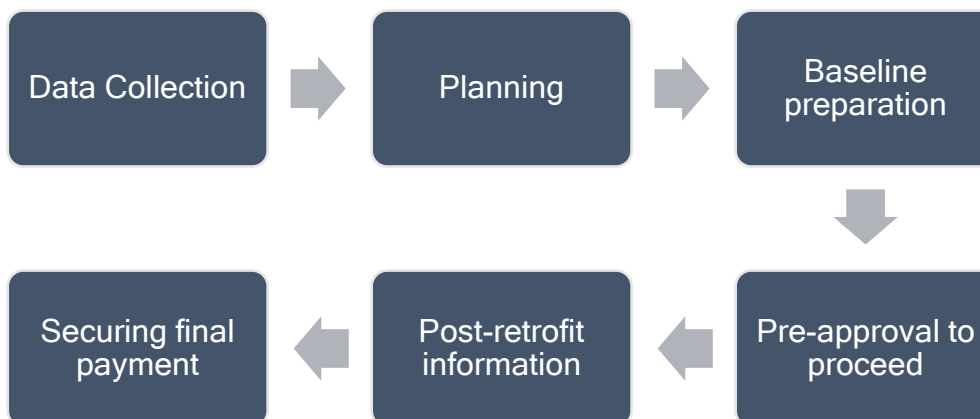
# How Star Energy can help



# Benefits

- Client resources can focus on regular jobs rather than answering questions from utilities, government agencies and third-party verification agencies and following-up with utilities.
- Best possible incentive dollars can be secured for the project which can help either include more locations under the retrofit program or undertake more initiatives at the same location.
- Star Energy's experienced team has a proven track record and have worked closely with a number of utilities and government agencies to develop special incentive programs for our clients.

# Process



- Star Energy covers the incentive programs across the country which is beneficial for a company that has a national footprint.
- ✓ In many cases, there is no upfront cost of this service. Star Energy charges a fixed % of the incentives that our team can secure.



Star Energy is an energy management company specializing in delivering comprehensive energy cost reduction programs throughout North America. Our experience in working with major clients has helped us to develop customizable programs that not only maximize returns on retrofit capital but also improve asset values and the life of mechanical and electrical systems. We have worked with major utilities across the US and Canada to optimize the eligibility of our programs for incentives to reduce implementation costs and improve paybacks. Part of our program customization relates to our client's annual energy reduction targets and their available retrofit capital.

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