

US EPA ARCHIVE DOCUMENT



Effective Practices for Implementing Local Climate and Energy Programs:

Incentive Techniques

Lessons Learned *by* Communities *for* Communities

The views expressed in this document are those of the Climate Showcase Communities grant recipients. U.S. EPA does not endorse any products or commercial services mentioned.

WHAT IS IT?

Incentives are financial or non-financial rewards for taking actions that improve local sustainability.

WHY DO IT?

- Incentives can encourage people to try things that they would not otherwise do and encourage them to go further on their own.
- Incentives can help people get over the initial hurdle of not knowing your program's goals or how to participate.
- Offering even a small incentive can lead to a sizable change in behavior.
- People are often more interested in trying something if they feel that they are receiving immediate gratification.

WHAT WORKS?

- For energy efficiency programs, consider financial rebates for the cost of an initial energy assessment, or provide free or low-cost project counseling. (Rebates often work better than providing services for free, which can diminish the perceived value.)
- Upfront financial incentives can lower the barrier to participation.
- Engage local businesses to support local initiatives with incentives. Businesses can provide valuable prizes for community members and be rewarded with marketing opportunities.
- Survey your target audience for incentive ideas, and design incentives to attract individuals who would otherwise be unlikely to participate in your program.
- Use limited-time incentives to generate buzz and motivation.
- Align with the incentives offered by other institutions, such as utility rebates.

WHAT SHOULD YOU WATCH OUT FOR?

- Avoid administrative burdens that make it difficult for people to obtain relatively small incentives.
- Certain types of incentives, such as gift cards, may not be an option for some government agencies, depending on procurement policies.

WHAT RESOURCES HAVE PROJECTS FOUND TO BE USEFUL?

- Database of State Incentives for Renewables and Efficiency: www.dsireusa.org



"Establish a 'quick win' at the beginning of a grant program so that participants can see the benefits from the start."

Sam, Central New York Climate Change Innovation Project, Central New York Regional Planning and Development Board

"Set deadlines for incentives to provide a 'push' for program participants to complete projects."

Sabrina, Green Homes Challenge, Frederick County, Maryland