

The Pepco Energy Savings for Business Program offers incentives to install energy efficient HVAC, chiller, and variable frequency drive (VFD) equipment.

Click or scroll to view the following sections below:

- [Unitary HVAC Equipment](#)
- [Geothermal Equipment](#)
- [Hotel Room HVAC and Receptacle Controls and Smart Thermostats](#)
- [Chillers](#)
 - [Constant Speed Chillers](#)
 - [VFD Chillers](#)
- [Variable Frequency Drives and ECMs](#)

To take advantage of these incentives, you must meet the following eligibility requirements:

1. Be a Pepco customer and business in the Maryland territory.
2. Have an active commercial account.
3. Be replacing existing equipment (HVAC or chiller) OR applying for new construction / major renovation incentives
4. Municipal, city, or county government
5. Public School
6. Community or public college or university
7. Non-profit or community serving institution or facility
8. Religious institution or school

Existing buildings, new construction, and major renovation projects are all eligible for Prescriptive incentives. New construction refers to site preparation for and construction of entirely new structures and/or extensions to existing buildings. Major renovation refers to extensive alteration of an existing building encompassing projects where lighting and HVAC systems are being completely replaced.

Multifamily properties are eligible to apply for these incentives as follows. If tenant units are individually metered, incentives apply only to common areas. Master-metered buildings are offered incentives for tenant units as well as common areas.

All projects require pre-approval. Unitary HVAC projects with an incentive of \$15,000 or less can receive instant pre-approval. New construction projects are not eligible for instant pre-approval. All applications for pre-approval must be submitted via the [Application Center](#).

You can also contact your installation contractor or equipment vendor to discuss energy efficiency equipment options. If you do not have a contractor or vendor in mind, please visit our website for a list of Service Providers. **New construction and/or major renovation projects are not subject to program Service Provider requirements.**

All projects MUST receive pre-approval before purchasing equipment or beginning work. Please review the program process and eligibility requirements on the [program website](#) as well as the customer-signed [Terms and Conditions](#). Please [contact](#) the program office with any questions.

How to Apply:

- Submit the application via the online [Application Center](#). The Application Center Equipment Guide below illustrates how to enter equipment into the online application. **Pre-approval is required before purchasing or installing equipment.** The following supporting information must be included with the application:
 - ✓ Completed [Terms and Conditions \(T&Cs\)](#) form, signed by the customer
 - Manufacturer specification sheets providing SEER/SEER2, EER/EER2, IEER, IPLV, and HSPF2/COP (as applicable) at AHRI conditions
 - ✓ AHRI certificate or screenshot of current listing on AHRI website (note: not all equipment is listed on AHRI website)
- The Program reviews submitted documentation, revises and/or requests additional documentation as necessary. A site inspection may be required as part of the pre-approval process.
- The Program emails the project pre-approval to the customer and Service Provider.
- If the scope of work has changed, then the Program must be notified as soon as possible. If your project increases the incentive amount by more than \$2,500 or 10% of the reserved amount – whichever is greater – a separate application must be submitted for the variance prior to installation and will need to go through the application pre-approval process.
- Once installation of all proposed equipment is complete and the Pepco customer is satisfied with the equipment and installation, the Pepco customer must sign the program pre-approval letter. The customer-signed pre-approval letter must be uploaded to the online Application Center along with a copy of the invoice. The invoice should include equipment model numbers and quantities. The invoice should match the application information.
- The Program may require a post-installation inspection to verify compliance with program rules, accuracy of project documentation, and equipment operation.
- The Program distributes the incentive check to the payee following final approval processing.

Unitary HVAC Equipment – Application Center Equipment Guide	
Product Type	Category
Air Conditioners	Air Conditioning Only
	Residential AC Installed in Commercial Setting (Window Unit)
	Water-Cooled Air Conditioning
Geothermal Heat Pumps	Ductless Mini Split Air Conditioner
	Ground Source Heat Pump
	Ground Water Source Heat Pump
Heat Pumps	Air Source Heat Pumps
	Air-Cooled Variable Refrigerant Flow Heat Pumps
	Ductless Mini Split Heat Pumps
	Water Source Heat Pump
Packaged Terminal Equipment	Packaged Terminal Air Conditioner
	Packaged Terminal Heat Pump

Please Note:

- The incentive will be based upon actual tons calculated by dividing the rated Btu/hour shown on the specifications by 12,000.
- Measures in the following (**) categories are eligible for an additional \$200/unit incentive when a Dual Enthalpy (DE) Economizer is installed on a new HVAC unit meeting the minimum requirements: Air Conditioning, Air Source Heat Pumps, and Water-Cooled Air Conditioners.

Unitary HVAC Measures and Incentives							
Unit	Cooling Capacity		Minimum Requirements			Incentive	Dual Enthalpy Economizer (Per Unit)
	Btu/h	Tons	SEER2/IEER	EER2	HSPF2/COP _H		
Residential Air Conditioners Installed in Commercial Setting (Window Unit)							
Single Package	N/A	N/A	ENERGY STAR			\$25/unit	N/A
Air Conditioning Only** (Units with Electric Heat or No Heat)							
Split System or Single Package	<65,000, 3 phase	<5.4	15.2	N/A	N/A	\$385/ton	\$200
Split System or Single Package	≥65,000 and <135,000	≥5.4 and <11.25	15.5	N/A	N/A	\$385/ton	\$200
Split System or Single Package	≥135,000 and <240,000	≥11.25 and <20	15.0	N/A	N/A	\$385/ton	\$200

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Split System or Single Package	≥240,000 and <760,000	≥20 and <63.3	13.8	N/A	N/A	\$385/ton	\$200
Split System or Single Package	≥760,000	≥63.3	12.8	N/A	N/A	\$385/ton	\$200
Air Conditioning Units Only** (Units with Gas Heat)							
Split System or Single Package	<65,000, 3 phase	<5.4	15.2	N/A	N/A	\$385/ton	\$200
Split System or Single Package	≥65,000 and <135,000	≥5.4 and <11.25	15.3	N/A	N/A	\$385/ton	\$200
Split System or Single Package	≥135,000 and <240,000	≥11.25 and <20	14.8	N/A	N/A	\$385/ton	\$200
Split System or Single Package	≥240,000 and <760,000	≥20 and <63.3	13.6	N/A	N/A	\$385/ton	\$200
Split System or Single Package	≥760,000	≥63.3	12.6	N/A	N/A	\$385/ton	\$200

Unitary HVAC Measures and Incentives (Continued)

Unit	Cooling Capacity		Minimum Requirements			Incentive	Dual Enthalpy Economizer (Per Unit)
	Btu/h	Tons	SEER2/IEER	EER/EER2	HSPF2/COP _H		
Air Source Heat Pumps** (Units with Electric Heat or No Heat)							
Split System	<65,000, 3 phase	<5.4	15.2	N/A	7.7	\$385/ton	\$200
Single Package	<65,000, 3 phase	<5.4	15.2	N/A	7.0	\$385/ton	\$200
Split System or Single Package	≥65,000 and <135,000	≥5.4 and <11.25	14.8	N/A	3.5	\$385/ton	\$200
Split System or Single Package	≥135,000 and <240,000	≥11.25 and <20	14.1	N/A	3.4	\$385/ton	\$200
Split System or Single Package	≥240,000	≥20	13.0	N/A	3.3	\$385/ton	\$200
Air Source Heat Pumps** (Units with Gas Heat)							
Split System	<65,000	<5.4	15.2	N/A	7.7	\$385/ton	\$200
Single Package	<65,000	<5.4	15.2	N/A	7.0	\$385/ton	\$200
Split System or Single Package	≥65,000 and <135,000	≥5.4 and <11.25	14.6	N/A	3.5	\$385/ton	\$200
Split System or Single Package	≥135,000 and <240,000	≥11.25 and <20	13.9	N/A	3.4	\$385/ton	\$200
Split System or Single Package	≥240,000	≥20	12.8	N/A	3.3	\$385/ton	\$200
Water-Cooled Air Conditioners** (Units with Electric Heat or No Heat)							
Split System or Single Package	<65,000	<5.4	13.3	12.1	N/A	\$385/ton	\$200
Split System or Single Package	≥65,000 and <135,000	≥5.4 and <11.25	14.8	12.1	N/A	\$385/ton	\$200
Split System or Single Package	≥135,000 and <240,000	≥11.25 and <20	14.8	12.5	N/A	\$385/ton	\$200
Split System or Single Package	≥240,000 and <760,000	≥20 and <63.3	14.0	12.4	N/A	\$385/ton	\$200
Split System or Single Package	≥760,000	≥63.3	14.0	12.2	N/A	\$385/ton	\$200
Water-Cooled Air Conditioners** (Units with Gas Heat)							
Split System or Single Package	<65,000	<5.4	13.1	11.9	N/A	\$385/ton	\$200

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Split System or Single Package	≥65,000 and <135,000	≥5.4 and <11.25	14.6	11.9	N/A	\$385/ton	\$200
Split System or Single Package	≥135,000 and <240,000	≥11.25 and <20	14.6	12.3	N/A	\$385/ton	\$200
Split System or Single Package	≥240,000 and <760,000	≥20 and <63.3	13.8	12.2	N/A	\$385/ton	\$200
Split System or Single Package	≥760,000	≥63.3	13.8	12.0	N/A	\$385/ton	\$200
Packaged Terminal Air Conditioners***							
Single Package	<7,000	<0.58	N/A	12.9	N/A	\$85/unit	N/A
Single Package	≥7,000 and ≤15,000	≥0.58 and ≤1.25	N/A	12.4	N/A	\$115/unit	N/A
Single Package	>15,000	>1.25	N/A	10.5	N/A	\$140/unit	N/A
<p>*Note that the incentive will be based upon actual tons calculated by dividing the rated Btu/hour shown on the specifications by 12,000.</p> <p>**Measures in the following categories are eligible for an additional \$200/unit incentive when a Dual Enthalpy (DE) Economizer is installed on a new HVAC unit meeting the minimum requirements: Air Conditioning, Air Source Heat Pumps, and Water-Cooled Air Conditioners.</p> <p>***For replacement of standard size systems</p>							

Unitary HVAC Measures and Incentives (Continued)							
Unit	Cooling Capacity		Minimum Requirements			Incentive	Dual Enthalpy Economizer (Per Unit)
	Btu/h	Tons	SEER/IEER	EER	HSPF2/COP _h		
Packaged Terminal Heat Pumps							
Single Package	<7,000	<0.58	N/A	12.9	3.6	\$85/unit	N/A
Single Package	≥7,000 and ≤15,000	≥0.58 and ≤1.25	N/A	12.4	3.5	\$115/unit	N/A
Single Package	>15,000	>1.25	N/A	10.5	3.1	\$145/unit	N/A
Ductless, Mini-Split Air Conditioners and Heat Pumps							
AC Split System	<65,000	<5.4	15.2	N/A	N/A	\$250/ton	N/A
HP Split System	<65,000	<5.4	15.2	N/A	7.4	\$250/ton	N/A

Geothermal Measures and Incentives							
Qualifying equipment must meet or exceed the minimum EER/COP outlined in the table below.							
Unit	Capacity (Btu/h)	Program Minimum and Incentives					
		Tier I			Tier II		
		EER	COP	Incentive	EER	COP	Incentive
Water Source Heat Pumps							
Water to Air	<17,000	13.2	4.7	\$335/ton	N/A	N/A	N/A
Water to Air	≥17,000 and <135,000	14	4.7	\$335/ton	N/A	N/A	N/A
Water to Water	≥17,000 and <135,000	11.6	4	\$335/ton	N/A	N/A	N/A
Ground Source Heat Pumps							
Brine to Air	<135,000	15.5	3.4	\$390/ton	16.2	3.5	\$300/ton
Brine to Water	<135,000	13.3	2.6	\$390/ton	13.9	2.8	\$300/ton
Ground Water Source Heat Pumps							
Water to Air	<135,000	19.8	3.9	\$390/ton	20.7	4.1	\$300/ton
Water to Water	<135,000	17.9	3.3	\$390/ton	18.7	3.4	\$300/ton

Variable Refrigerant Flow Measures and Incentives						
Eligible variable refrigerant flow (VRF) heat pumps are systems that do not incorporate heat recovery capability. VRF heat pump systems with heat recovery are eligible for Custom path incentives.						
Cooling Capacity Btu/h	Size Category (tons)	Minimum Requirements				Incentive
		SEER2/IEER	EER2	COP at 47° F	COP at 17° F	
< 65,000	<5.4	15.2	12.0	8.5 (HSPF)	8.5 (HSPF)	\$390/ton
≥ 65,000 and < 135,000	≥ 5.4 and < 11.25	14.2	11.3	3.4	2.4	\$390/ton
≥ 135,000 and < 240,000	≥ 11.25	13.7	10.9	3.2	2.1	\$390/ton
≥ 240,000	≥ 20	12.5	10.3	3.2	2.1	\$390/ton

VFD and EC Motor Instructions

1. If submitting an application for a Standard measure, enter data requested on the online VFD or EC motor application. Annual savings will be automatically calculated.
2. If submitting an application for any Custom measure, enter data requested on the online Custom application. For these measures, the user is required to calculate annual savings and enter those data into the online application. All calculations and methodology supporting the annual kWh and kW savings must be provided.

VFD and EC Motor Application Center Equipment Guide

Product Type	Category	Equipment Attribute
Variable Frequency Drives	VFD Fan	HVAC Supply Fans
		HVAC Return Fans
		Cooling Tower Fans
		HVAC Make Up Air Fans
		HVAC Exhaust Fans
Variable Frequency Drives	VFD Pump	Chilled Water Supply/Return Pumps
		Condenser Water Supply/Return Pumps
		Hot Water Supply/Return Pumps
		Hot Water Circulation Pumps
		Heat Water Pumps
Electronically Commutated Motors	EC Motor Fan	HVAC Circulation Fans
Electronically Commutated Motors	EC Motor Pump	Heating Circulation Pumps
		DHW Recirculation Pumps

VFD and EC Motor Measures and Incentives*

Incentives are awarded based upon the VFD or EC motor horsepower (HP) rating and type of equipment controlled. If the equipment controlled is identified as Standard, then the incentive is calculated based upon HP (see incentive table immediately following). If the equipment controlled is identified as Custom, then the incentive must be applied for through the Custom program. The custom incentive is calculated at a rate of \$0.28/kWh for one year of projected kWh savings, up to 50% of installed cost. Custom projects must pass the Societal Cost test.

*To qualify for an incentive, the motor(s) being controlled must operate a minimum of 2,000 hours per year. VFD measures are only eligible in retrofit applications. Replacement of failed VFDs and EC motors, or installation in new construction or major renovation projects are not eligible.

VFD Incentives for both Standard and Custom Measures

VFD Horsepower Rating	Per Unit Incentive ¹	VFD Horsepower Rating	Per Unit Incentive ¹
2	\$500	30	\$2,250
3	\$600	40	\$2,500
4	\$700	50	\$3,000
5	\$800	60	\$4,000
7.5	\$900	75	\$4,750
10	\$1,100	100	\$6,000
15	\$1,350	101 to ≤200	\$60 per HP
20	\$1,500	>200	\$60 per HP
25	\$1,600	¹ Custom measures may be adjusted. See Terms and Conditions for details.	

EC Motor Incentives for both Standard and Custom Measures

EC Motor Horsepower Rating	Per Unit Incentive ¹
<1	\$100
≥1 to <2	\$125
≥2 to <3	\$150
≥3 to ≤5	\$200
>5 to ≤10	\$400
>10	¹ Custom measures may be adjusted. See Terms and Conditions for details.

Prescriptive Chiller Eligibility and Incentive Calculations

Eligible systems are air- and water-cooled water chilling packages, 1,000 tons and less, used in single-chiller HVAC applications. Water-chilling equipment must meet the current Air Conditioning and Refrigeration Institute (ARI) standards 550/590, be UL-listed, and use a minimum ozone-depleting refrigerant (e.g., HCFC or HFC).

***Note: the Performance Incentive is applied for each 0.1 EER point above or for each 0.01 kW/ton below minimum efficiency Full Load or Integrated Part Load Value (IPLV). Total incentive is capped at \$200/ton for all air-cooled chillers and water-cooled centrifugal chillers and \$175/ton for water-cooled positive displacement chillers.**

Constant Speed Chiller Measures and Incentives (Path A)

Equipment Type	Unit Size (ARI Net Tons)	Minimum Efficiency		Incentive		Application Center Equipment Guide	
		Full Load	IPLV	Base	Performance	Product Type	Category
Air-Cooled Chiller with Condenser	<150	10.1 EER	14 EER	\$28/ton	\$10/ton	HVAC	Air-Cooled Chillers
	≥150	10.1 EER	14.2 EER	\$28/ton	\$10/ton		
Water-Cooled Positive Displacement Chillers	<75	0.75 kW/ton	0.56 kW/ton	\$20/ton	\$8/ton	HVAC	Electric, Water-Cooled Chillers
	≥75 and <150	0.72 kW/ton	0.54 kW/ton	\$20/ton	\$8/ton		
	≥150 and <300	0.66 kW/ton	0.52 kW/ton	\$20/ton	\$8/ton		
	≥300 and <600	0.61 kW/ton	0.50 kW/ton	\$20/ton	\$8/ton		
	≥600 and ≤1000	0.56 kW/ton	0.48 kW/ton	\$20/ton	\$8/ton		
Water-Cooled, Centrifugal Chillers	<150	0.61 kW/ton	0.53 kW/ton	\$24/ton	\$10/ton	HVAC	Electric, Water-Cooled Chillers
	≥150 and <300	0.61 kW/ton	0.53 kW/ton	\$24/ton	\$10/ton		
	≥300 and <400	0.56 kW/ton	0.50 kW/ton	\$24/ton	\$10/ton		
	≥400 and ≤1000	0.56 kW/ton	0.48 kW/ton	\$24/ton	\$10/ton		

VFD Chiller Measures and Incentives (Path B)

Equipment Type	Unit Size (ARI Net Tons)	Minimum Efficiency		Incentive		Application Center Equipment Guide	
		Full Load	IPLV	Base	Performance	Product Type	Category
Air-Cooled Chiller with Condenser	<150	9.7 EER	16 EER	\$28/ton	\$10/ton	HVAC	Air-Cooled Chillers
	≥150	9.7 EER	16.3 EER	\$28/ton	\$10/ton		
Water-Cooled Positive Displacement Chillers	<75	0.78 kW/ton	0.48 kW/ton	\$25/ton	\$14/ton	HVAC	Electric, Water-Cooled Chillers
	≥75 and <150	0.75 kW/ton	0.47 kW/ton	\$25/ton	\$14/ton		
	≥150 and <300	0.68 kW/ton	0.42 kW/ton	\$25/ton	\$14/ton		
	≥300 and <600	0.625 kW/ton	0.39 kW/ton	\$25/ton	\$14/ton		
	≥600 and ≤1000	0.585 kW/ton	0.36 kW/ton	\$25/ton	\$14/ton		
Water-Cooled, Centrifugal Chillers	<150	0.695 kW/ton	0.42 kW/ton	\$28/ton	\$14/ton	HVAC	Electric, Water-Cooled Chillers
	≥150 and <300	0.635 kW/ton	0.38 kW/ton	\$28/ton	\$14/ton		
	≥300 and <400	0.595 kW/ton	0.37 kW/ton	\$28/ton	\$14/ton		
	≥400 and ≤1000	0.585 kW/ton	0.36 kW/ton	\$28/ton	\$14/ton		

Custom Chiller Measure Definitions

Measures are designated as Custom if:

1. The project has more than one chiller on the same chilled water line, or
2. The chiller has greater than 1,000 tons cooling capacity.

Chillers installed in multiple chiller systems and chillers serving a non-HVAC load greater than 25% of chiller capacity are not eligible under the prescriptive application form, but customers using these systems may apply using the Custom application form.

Custom Chiller Measure Additional Information

1. If submitting an application for any Custom measure, enter data requested on the online [Custom](#) application.
2. If submitting an application for any Custom measure, please contact the program office to request a scoping call. This call will establish the baseline from which project savings will be claimed, and establish what, if any, trend data will need to be provided to verify savings. Please note an energy model or other savings calculation will be required for preapproval. Refer to the [Custom technical sheet](#) for more information.
3. The user is also required to supply the average electricity price. This is the price that the facility paid over the last 12 months, inclusive of the distribution costs, fuel cost, demand charge, and all taxes and applicable rider charges. This is calculated as the sum of all electricity charges over the past 12 months divided by the kWh used over the same period.

Refer to the [Terms and Conditions](#) for additional information.

Hotel Room HVAC and Receptacle Controls Incentives

Smart Thermostats: Only for central AC, HP, furnace or RTUs with cooling capacities up to 300 kBtuh.

Must be installed in normally conditioned spaces - not partially conditioned or with frequently opened doors.

Eligible only for thermostats that certified ENERGY STAR® or have all the following capabilities:

1. Automatic scheduling
2. Occupancy sensing ("on" as default)
3. Must be capable of optimizing heat pump energy use, minimize supplemental heat
4. Must be able to control via smart phone or online
5. Must be able to view temp, adjust temp, and switch between "heating," "cooling" and "off," settings
6. Static temp accuracy of < +/- 2 deg F
7. Network standby average power consumption of < 3W, including all equipment needed to maintain connectivity

Hotel Room HVAC and Receptacle Controls: Facility must be a lodging business. Incentives are for occupancy-based guest room energy management controls. Occupancy control may be room-key activated or sensed due to motion and/or sound and must control the HVAC system serving the room. Front desk control systems and new construction are not eligible.

Equipment Type	Per Unit Incentive	Application Center Equipment Guide	
		Product Type	Category
Smart Thermostats	\$50/thermostat	HVAC	Controls
Hotel Room HVAC Controls	\$70/room	HVAC	Controls
Receptacle Controls	\$10/control	HVAC	Controls

Pepco Energy Savings for Business Program
 Contact: 1-866-353-5798 | pepcobusiness@icf.com

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