



# 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](http://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*