

9/15/09

## Virginia Incentives/Policies for Energy Efficiency



### Financial Incentives

#### Arlington County - Green Building Incentive Program

Last DSIRE Review: 04/14/2009

Incentive Type: Green Building Incentive

State: Virginia

Eligible  
Efficiency

Technologies: Comprehensive Measures/Whole Building

Eligible Passive Solar Space Heat, Solar Water Heat, Solar Space Heat, Photovoltaics, Wind,  
Renewable/Other Biomass, Geothermal Heat Pumps, Daylighting, Small Hydroelectric

Technologies:

Applicable Commercial, Residential, Builder/Developer, Installer/Contractor, Multi-Family Residential  
Sectors:

Web Site: [http://www.arlingtonva.us/  
Departments/EnvironmentalServices/epo/EnvironmentalServicesEpoIncentiveProgram.aspx](http://www.arlingtonva.us/Departments/EnvironmentalServices/epo/EnvironmentalServicesEpoIncentiveProgram.aspx)

#### Summary:

In October 1999, the County Board of Arlington adopted a Pilot Green Building Incentive Program using the standards established by the U. S. Green Building Council's Leadership in Energy and Environmental Design (LEED\*) Green Building Rating System. The program granted bonus densities and/or heights to building projects which received LEED certification. After this testing period, the incentive program was adopted and implemented in April 2000, then later updated and expanded in 2003.

The threshold for consideration of the density and height bonuses includes the full range of LEED certifications, Certified, Silver, Gold and Platinum. Achieving the Certified level does not guarantee a density bonus, but will be considered on a case-by-case basis, and can potentially earn a bonus of .15 floor area ratio (FAR). Buildings achieving LEED Silver can be eligible for up to .25 FAR, and LEED Gold and Platinum can be considered for .35 FAR.

In December 2003, the County also established a Green Building Fund. Developers who participate in the site plan process (meaning their projects are special exceptions to the Zoning Ordinance) and do not achieve official LEED certification are required to contribute \$0.045/sq ft. The Green Building Fund is used to provide education and outreach to developers and the community on green building issues. If the building later receives LEED certification, the fee will be refunded. Those projects that achieve LEED certification do not have to contribute.

*\*The USGBC LEED Rating System is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. Click [here](#) for more information on the national LEED program.*

Contact:

Public Information Officer  
Arlington County  
Environmental Planning Office  
2100 Clarendon Blvd  
Suite 900  
Arlington, VA 22201

Phone: (703) 228-4488

E-Mail: [des@arlingtonva.us](mailto:des@arlingtonva.us)

Web Site: <http://www.arlingtonva.us/Departments/EnvironmentalServices/EnvironmentalServicesMain.aspx>

## Local Option - Property Tax Assessment for Energy Efficient Buildings

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*Last DSIRE Review: 04/10/2009*

Incentive Type: Property Tax Assessment

State: Virginia

Eligible Efficiency

Technologies: Comprehensive Measures/Whole Building

Applicable Sectors: Commercial, Industrial, Residential, Multi-Family Residential, Low-Income  
Residential, Agricultural, Institutional

Authority 1: Va. Code § 58.1-3221.2

Date Enacted: 3/11/2008

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Summary:

In March 2008, Virginia enacted legislation that would allow local jurisdictions to assess the property tax of energy efficient buildings at a reduced rate. Under this law, eligible energy-efficient buildings, not including the real property on which they are located, may be considered a separate class of property for local taxation purposes. Accordingly, the governing body of any county, city or town may, by ordinance, allow a special assessment of the property taxes for this class of property. An energy-efficient building is defined as any building that exceeds the energy efficiency standards of the Virginia Uniform Statewide Building Code by 30%; meets performance standards of the Green Globes Green Building Rating System, the Leadership in Energy and Environmental Design (LEED) System or the EarthCraft House Program; or qualifies as an Energy Star home under federal Energy Star criteria.

Among the communities that have enacted an ordinance implementing this law include:

- City of Charlottesville (see Charlottesville's city code, Chapter 30, Article V, Division 4 for more information)
  - County of Spotsylvania (see Ordinance No. 21-63 for more information on the five-year county tax exemption for energy efficient buildings)
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Contact:

Taxpayer Assistance - Virginia  
Virginia Department of Taxation  
PO Box 1880

Richmond, VA 23218-1880

Phone: (804) 367-8031

E-Mail: [tax-busqtns@state.va.us](mailto:tax-busqtns@state.va.us)

Web Site: <http://www.tax.virginia.gov/>

## Local Option - Clean Energy Financing

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Last DSIRE Review: 07/16/2009

Incentive Type: Property Tax Financing Authorization

State: Virginia

Eligible Efficiency

Technologies: Locally determined by ordinance

Eligible Locally determined by ordinance

Renewable/Other

Technologies:

Applicable Sectors: Commercial, Residential, Builder/Developer, Institutional

Financing Terms: Locally determined

Eligible Local

Governments: Any political subdivision authorized to levy fees or taxes

Possible Revenue Independent lending institutions, other revenue sources determined by local

Sources: governments

Authority 1: Va. Code § 15.2-958.3

Date Enacted: 3/30/2009

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#### Summary:

"Property tax financing" allows property owners to borrow money to pay for energy improvements. The amount borrowed is repaid through an increased property tax assessment over a period of years. Virginia has authorized local governments to create clean energy financing programs to provide such financing. *Contact your local government to find out if financing is available for renewable energy and/or energy efficiency through special property tax assessments.*

Local governments must hold a public hearing to solicit public feedback prior to adopting an ordinance establishing such a program. Participating local governments may determine funding sources, and establish interest rates and loan terms. Private lenders may participate. The local government may collect property owners' loan re-payments via water or sewer bills, real property tax assessments, or other bills.

The state law authorizing property tax financing in Virginia was inspired by grassroots efforts in Charlottesville, which has announced plans to develop a program to finance energy improvements by property owners.

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#### Contact:

Ken Jurman

Virginia Department of Mines, Minerals, and Energy

Division of Energy

9th Street Office Building 8th Floor

Richmond, VA 23219

Phone: (804) 692-3222

Fax: (804) 692-3238

E-Mail: [ken.jurman@dmme.virginia.gov](mailto:ken.jurman@dmme.virginia.gov)

Web Site: <http://www.mme.state.va.us>

### Sales Tax Exemptions for Energy-Efficient Products

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Last DSIRE Review: 04/10/2009

Incentive Type: Sales Tax Exemption

State: Virginia

Eligible Efficiency Clothes Washers, Dishwasher, Refrigerators/Freezers, Dehumidifiers,

Technologies: Ceiling Fan, Lighting, Air conditioners, Programmable Thermostats

Applicable Sectors: Residential

Amount: 100% exemption from state sales and use tax

Equipment

Requirements: Must meet federal Energy Star efficiency requirements

Web Site: <http://www.tax.virginia.gov/site.cfm?alias=EnergyStarQualifiedProductsHoliday>

Authority 1: Va. Code § 58.1-609.1

Date Enacted: 3/23/2007

Date Effective: 3/23/2007

Expiration Date: 7/1/2012

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#### Summary:

Virginia allows a four-day sales tax exemption on Energy Star products of \$2,500 or less per product, purchased for non-commercial home or personal use. Beginning in 2007, this exemption -- a 100% exemption from the state sales and use tax -- applies to sales occurring during the four-day period that begins each year on the Friday before the second Monday in October and ends at midnight on the second Monday in October.

This incentive is available for any dishwasher, clothes washer, air conditioner, ceiling fan, compact fluorescent light bulb, dehumidifier, programmable thermostat or refrigerator designated by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy (DOE) as meeting or exceeding requirements under the federal Energy Star program.

For taxable years beginning in 2007, individuals may also claim a deduction of 20%, up to \$500, on their state income tax return for sales tax paid to purchase certain energy efficient products listed on this [website](#).

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#### Contact:

Taxpayer Assistance - Virginia

Virginia Department of Taxation

PO Box 1880

Richmond, VA 23218-1880

Phone: (804) 367-8031

E-Mail: [tax-busqtns@state.va.us](mailto:tax-busqtns@state.va.us)

Web Site: <http://www.tax.virginia.gov/>

### TVA Partner Utilities - Energy Right Heat Pump Loan Program

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*Last DSIRE Review: 07/17/2009*

Incentive Type: Utility Loan Program

State: Virginia

Eligible Efficiency

Technologies: Heat pumps

Applicable Sectors: Residential, Utility, Installer/Contractor

Terms: Amounts vary depending on utility up to \$10,000 for a single unit and \$12,500 for multiple or advanced units

6%-8% interest depending on utility

10 year financing for an efficient residential heat pump through third party lenders

Local utility loan programs may include other terms and qualifications

Web Site: <http://www.energyright.com/heatpump/benefits.htm>

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#### Summary:

The TVA Energy Right Heat Pump Plan promotes the installation of high efficiency heat pumps in homes and small businesses. Through a third-party lender, TVA provides ten-year financing for residential heat pumps with repayment through the consumer's electric bill to their local power distributors. TVA Energy Right is an umbrella program, and the loans are independently administered through 143 separate power companies served by TVA, each of which is given the flexibility to run the Heat Pump Plan with their own maximum amount, interest rate, etc.

Installation, performance, and weatherization standards have been established to ensure the comfort of the customer and the proper operation of the system. A Quality Contractor Network has been established for maintaining high installation standards. TVA also pays the distributor \$175 for each high efficiency installation. To find out who is participating, [click here](#). For more detailed information for participating contractors and utilities, [click here](#). Customers should contact their local utilities to see what programs are offered.

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#### Contact:

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### TVA Partner Utilities - Energy Right New Homes Program

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*Last DSIRE Review: 07/17/2009*

Incentive Type: Utility Rebate Program

State: Virginia

Eligible Efficiency Heat pumps, Comprehensive Measures/Whole Building, Custom/Others

Technologies: pending approval

Applicable Sectors: Residential, Builder/Developer, Utility, Installer/Contractor, Multi-Family Residential

Incentive Amount: Site Built New Homes Plan: \$300-\$800 depending on home efficiency  
Manufactured Home Heat Pump: \$300  
Multifamily units: \$100

Equipment Site Built Homes: All electric

Requirements: Manufactured Home Heat Pump: 13 SEER

Installation Energy Right Homes: 93 to 86 HERS rating

Requirements: Energy Right Platinum Homes: 85 or less HERS (Energy Star® certification)

Web Site: [http://www.energyright.com/construction/site\\_index.htm](http://www.energyright.com/construction/site_index.htm)

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#### Summary:

The TVA New Homes Plan provides incentives to contractors for building homes with a 4.5 or 5 star HERS rating. Over 2,400 homes have been certified to date through participating power distributors, including 800 homes at the energy right® Platinum, or ENERGY STAR level.

TVA Energy Right also partners with manufactured home dealers to allow them to receive \$300 per home for an HVAC contractor to upgrade from inefficient A/C to an efficient 13 SEER heat pump.

Finally, in a pilot program, TVA provides a matching rebate of up to \$500 for an energy audit and approved efficiency measurers. This Home Energy Evaluation (IHEE) program is currently being tested in 22 power distributor areas in the Valley with 50 more coming into the pilot in October. Evaluation is performed by trained auditor and installed measures are inspected after installation. TVA is working with a third party vendor (Conservation Services Group - CSG) to assist in program design and implementation.

Email [hbjordan@tva.gov](mailto:hbjordan@tva.gov) for more information.

Customers should contact their [local utilities](#) to see what programs are offered.

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Contact:

Lisa Haislip  
Tennessee Valley Authority  
Energy Right Program  
Nashville, TN 37229  
Phone: (615) 232-6000  
E-Mail: [lahaislip@tva.gov](mailto:lahaislip@tva.gov)  
Web Site: <http://www.energyright.com/>

## **TVA Partner Utilities - Energy Right Water Heater Rebate Program**

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*Last DSIRE Review: 07/17/2009*

Incentive Type: Utility Rebate Program

State: Virginia

Eligible Efficiency

Technologies: Water Heaters

Applicable Sectors: Residential, Utility, Installer/Contractor

Incentive Amount: Energy Efficient Water Heater: \$50 from TVA

Maximum Utility water heater rebate programs generally range from \$25 up to total

Incentive: cost.

Equipment

Requirements: Usually electric and over 30 gallons

Web Site: <http://www.energyright.com/waterheat/index.htm>

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Summary:

The TVA Energy Right Water Heater Plan promotes the installation of high efficiency water heaters in homes and small businesses. TVA provides a \$50 incentive for the installation of a high efficiency water heater through their [partner installers](#). Utilities may pass these savings on as credits on consumers' electric bills, increase the incentives, or keep them in order to help them make more efficient water heater installations. 2008 installations totaled 13,452. TVA Energy Right is an umbrella program, and the rebate is independently administered through approximately [142 separate power companies](#) served by TVA, each of which is given the flexibility to run the Water Heater Plan with their own maximum amount, installation requirements, etc. Customers should contact their local utilities to see what programs are offered.

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Contact:

Ginger Lawyer  
Tennessee Valley Authority  
Energy Right Program  
Nashville, TN 37229  
Phone: (615) 232-6000  
E-Mail: [gglawyer@tva.gov](mailto:gglawyer@tva.gov)  
Web Site: <http://www.energyright.com/>

## Virginia Natural Gas - Residential Energy Efficiency Rebate Program

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Last DSIRE Review: 05/14/2009

Incentive Type: Utility Rebate Program

State: Virginia

Eligible Efficiency

Technologies: Water Heaters, Furnaces, Programmable Thermostats

Applicable Sectors: Residential, Low-Income Residential

Incentive Amount: Furnace: \$500

Tankless Water Heater: \$500 Rebate

Water Heater: \$150 Rebate

Programmable Thermostat: Free (1) \$25 rebate (1)

Equipment Energy Efficient Furnace (90%+ AFUE)

Requirements: Tankless Water Heater (.82+ Energy Factor)

Energy Efficient Water Heater (Tank Style, .62+ Energy Factor)

Web Site: <http://vng.aglr.com/Universal/energySMART.aspx>

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### Summary:

Virginia Natural Gas provides incentives for their residential customers to purchase high-efficiency natural gas equipment. To qualify, customers must fill out a [rebate form](#) for an energySMART program online submission. To complete the form applicants need a Virginia Natural Gas account number (found on your Virginia Natural Gas bill), and an energySMART Installation Verification Form provided by your installing contractor (for qualifying furnace and water heater and seasonal check up rebates).

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### Contact:

Virginia Natural Gas

Virginia Natural Gas Customer Care Center

P.O. Box 4569 Dept. 6250

Atlanta, GA 30302-4569

Phoenix, AZ 85072

Phone: (866) 229-3578

E-Mail: [vngcustomercare@aglresources.com](mailto:vngcustomercare@aglresources.com)

Web Site: <http://vng.aglr.com/Home.aspx>

## Rules, Regulations & Policies

### Virginia State Building Energy Code

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Last DSIRE Review: 07/08/2009

Incentive Type: Building Energy Code

State: Virginia

Eligible Efficiency

Technologies: Comprehensive Measures/Whole Building

Applicable Sectors: Commercial, Residential

Residential Code: 2006 IECC mandatory statewide; enforcement is the responsibility of the local government's building inspections department. REScheck can be used to show compliance.

Commercial Code: 2006 IECC mandatory statewide; enforcement is the responsibility of the local government's building inspections department. COMcheck can be



used to show compliance.

Code Change Three-year review cycle concurrent with the publications of new editions of

Cycle: the model codes. Most recent update effective: May 1, 2008.

Web Site: <http://www.bcap-energy.org/node/101>

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#### Summary:

*Much of the information presented in this summary is drawn from the U.S. Department of Energy's (DOE) Building Energy Codes Program and the Building Codes Assistance Project (BCAP). For more detailed information about building energy codes, visit the [DOE](#) and [BCAP](#) websites.*

The Virginia Uniform Statewide Building Code (USBC) is a statewide minimum requirement that local jurisdictions cannot amend. The code is applicable to all new buildings in the commonwealth. The Board of Housing and Community Development (a Governor-appointed board) has authority to adopt changes to the USBC. The process is very similar to the federal regulatory process. The Board of Housing and Community Development may adopt whatever provision it deems necessary. Enforcement of the USBC is handled by local building department through plan reviews and inspections.

Effective May 1, 2008, the Virginia Board of Housing and Community Development has updated the Virginia Uniform Statewide Building Code (USBC) per its three year code change cycle to coincide with the 2006 editions of the International Code Council model codes. The 2006 Virginia Codes incorporate the customized text of the Virginia administrative and technical amendments within the base text of the ICC model codes.

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#### Contact:

VA Building Code Information  
State Building Code Administrative Office  
501 N. 2nd St., The Jackson Center  
Richmond, VA 23219-1321

Phone: (804) 371-7160

Fax: (804) 371-7092

Web Site: <http://www.dhcd.virginia.gov/StateBuildingCodesandRegulations/default.htm>

### State Buildings Energy Reduction Plan

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*Last DSIRE Review: 06/15/2009*

Incentive Type: Energy Standards for Public Buildings

State: Virginia

Eligible Efficiency

Technologies: Comprehensive Measures/Whole Building

Eligible Passive Solar Space Heat, Solar Water Heat, Solar Thermal Electric,

Renewable/Other Photovoltaics, Wind, Biomass, Daylighting, Small Hydroelectric

Technologies:

Applicable Sectors: State Government, Institutional

Goal: All state agencies and institutions constructing state-owned facilities over 5,000 gross square feet in size, and renovations of such buildings valued at 50% of the assessed building value, shall be designed and constructed consistent with energy performance standards at least as stringent as LEED Silver or Green Globes 2 Globes Standard.

Authority 1: Executive Order 82 (2009)

Date Enacted: 06/10/2009

Date Effective: 06/10/2009

Expiration Date: 07/01/2013



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#### Summary:

The Governor of Virginia signed Executive Order 82, "Greening of State Government" in June 2009 as part of the greater RENEW VIRGINIA Initiative. This Order builds upon [Executive Order 48](#), "Energy Efficiency in State Government," and sets out to reduce non-renewable energy purchases and increase overall energy savings. In addition to requiring that new buildings (>5,000 gross sq feet) and major renovations (where the cost > 50% of building value) be built to LEED Silver or Green Globes Two Globes Standards,\* agencies and institutions are instructed to purchase or lease Energy Star-rated appliances and equipment, if Energy Star is available for the category of equipment/appliance.

In addition, the order instructs the Commonwealth to encourage the private sector to adopt energy-efficient building standards by giving preference when leasing facilities for state use to facilities meeting LEED Silver or Green Globes Two Globes standards.

The Department of Mines, Minerals and Energy (DMME) is responsible for providing technical support to agencies to achieve the goals.

*\* The USGBC LEED Rating System is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings. Click [here](#) for more information on the national LEED program. Green Globes is an online assessment protocol, rating system and guidance for green building design, operation and management. It is owned and operated by the Green Building Initiative (GBI). See Green Globes [website](#) for more information.*

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#### Contact:

Tommy Thompson  
Department of Mines, Minerals and Energy (DMME)  
VA Division of Energy  
Ninth Street Office Building, 8th Floor  
202 North Ninth Street  
Richmond, VA 23219-3402  
Phone: (804) 693-3239  
Phone 2: (804) 692-3200  
Fax: (804) 692-3237  
E-Mail: [thomas.thompson@dmme.virginia.gov](mailto:thomas.thompson@dmme.virginia.gov)  
Web Site: <http://dmme.virginia.gov/contactus.shtml>