Commercial and Industrial Energy Efficiency

Compressed Air Systems

Program Description

Our Commercial and Industrial Energy Efficiency Program is part of LES’ Sustainable Energy Program. Customers taking advantage of this program will save money, help reduce the need for more expensive energy during peak periods of the year and ultimately help delay the necessity to build additional, high-cost power plants.

The Compressed Air Systems Program is aimed at reducing the energy use associated with producing compressed air. This may involve retrofitting the system or replacing it entirely.

Application Process

- Before beginning a project, submit an online Pre-authorization Form to request funds for your project. LES will notify you regarding the availability of funds and, if funds are available, will provide you with a confirmation number.
- Within 90 days following pre-authorization, submit a Reimbursement Form, and a copy of the sales receipt itemizing the energy efficiency measures that were implemented along with their costs and vendor’s name.
- Please allow two to four weeks to receive reimbursement. Submitting forms with incomplete information will delay payment processing.

SEP Incentive Calculation Formula

- The new air compressor must be a variable speed unit replacing a fixed speed unit.
- Only new non-portable air compressors can qualify.
- For a project that only includes a new compressor, the incentive is based on the horsepower of the new compressor.
  - $50 per horsepower for 5 HP up to (not including) 25 HP compressors.
  - $75 per horsepower for 25 HP and larger compressors.
- For a project that only includes a new compressor, the participant must initially provide LES with a manufacturer’s specification sheet for the new unit. This will be used in determining an incentive.
- An incentive for a compressed air system replacement, upgrade or retrofit (possibly including new compressor, dryer and/or, storage) will be calculated by LES staff.
- For a system replacement, upgrade or retrofit, the program participant must initially provide LES with a compressed air system study and specification sheet for each new component. This will be used in determining an incentive.
- ALL connected compressed air system equipment will be considered in determining projected peak demand reduction.
- Removing or downsizing equipment does not qualify.
- The incentive cannot exceed 50% of the project cost.
- Maximum combined incentive of $100,000 per customer per year for all portions of the Sustainable Energy Program.
- LES system peak demand occurs June-September, Monday through Friday, 2-8 p.m.
Program Guidelines

- Incentives require preauthorization by LES before proceeding with the project.
- LES may require a compressed air system audit performed by a qualified 3rd party (which can be a vendor, a licensed engineer, or an independent energy auditor). Audit report must provide a technical assessment of leaks, air end uses, waste, recommended efficiency measures and potential energy savings.
- Compressed air system audits can no longer qualify for an incentive.
- Examples of eligible measures include: High efficiency replacement compressors, added or “boosted” air storage, compressor staging controls, high efficiency air dryers.
- For the sake of calculating the SEP incentive, all connected equipment that is present after the project is complete will be considered as part of the “post project” load.
- The system must operate a minimum of 1500 hours annually.
- To be eligible, you must repair at least 50% of the air loss due to leaks and/waste as identified in your compressed air system audit report. You may make the repairs yourself, use your preferred contractor, or use the service provider who conducted the assessment (repair costs themselves are not eligible for rebates).
- LES reserves the right to conduct pre and post inspections.
- The Reimbursement Form must be accompanied by a proof of purchase that lists the efficiency measures that were implemented along with their costs. Equipment specification sheets must also be submitted with the reimbursement request.
- LES is making this program available for the benefit of its customers and the program is in no way intended to create a property right or interest in any participating contractor, seller or other third-party.
- All authorizations under the program are based upon compliance with Program Guidelines within the sole discretion of LES.
- Refer to the “Commercial and Industrial Energy Efficiency – General Terms and Conditions” for more information pertaining to this portion of the program.