



# Commercial Connection

The energy experts for all your mechanical systems...Service Maintenance • Building Automation • Energy Solutions

## Waking Up to Federal Tax Deductions

Facility managers are finally starting to get it. All over the country, they are taking advantage of Energy Policy Act tax deductions of 60¢ to \$1.80 per square foot to support energy efficient HVAC installations.

The sudden large increase in projects qualifying for HVAC tax deductions is occurring for several reasons. For one, facility managers and tax advisers are getting better at identifying qualifying projects. Also, HVAC equipment is getting substantially more energy efficient. Finally, building energy modeling is being used in more new building and HVAC projects.

To qualify for a deduction, an HVAC project must reduce energy costs at least 16.67% below the costs for a building designed to meet ASHRAE 90.1-2001. Most so far fall into a couple of categories: installation of high-efficiency HVAC equipment, and "free riding," adding additional energy-saving measures in a building that already met the 16.67% threshold.

One common free riding project is to upgrade building controls. Consider a hypothetical 149,999-square-foot building that has had a chiller installed recently. It's often the case that a building like that meets the Section 179(D) criteria of having energy costs 16.67% lower than the costs of a building designed to ASHRAE 90.1-2001. If that's the case, the building might well qualify for a \$270,000 tax deduction for upgrading its HVAC controls.

—by Charles Goulding, Jacob Goldman and Kenneth Wood, April 2010

## Let the Sun Shine In!

For business owners, valuable rebates and tax incentives make going green even more lucrative. Consumers feel good about doing business with companies supporting sustainable practices. In addition to this competitive advantage, you will also see green in lower energy bills and increased property values.

**Hutchinson**, in concert with our partner, Earthsponse, is proud to introduce **our new solar offering**. Our representatives are certified solar professionals trained on the best products and technologies in the industry. They connect you with tax incentives, government rebates and innovative financing solutions to ensure you get an affordable, reliable installation.

### Be green. Save green.

The reasons to go green have never been more black and white:

- State and federal **incentives** up to 80% of project cost in certain markets
- **Reduced** monthly utility bills
- Flexible, **affordable financing** options

Take a look at <http://gogreen-hutchinson.com/Commercial.aspx> for more information.



Consumers feel good about doing business with companies supporting sustainable practices.

## N.J. Board of Public Utilities Approves Revised 2010 Budget

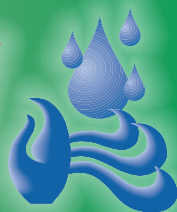
The Board of Public Utilities has approved the following changes to New Jersey's Clean Energy Direct Install Program. These changes were effective as of 5:00 pm on June 21, 2010, the date of the Board Order.

- The incentive level has been reduced from 80% to 60% of the installed cost for approved projects.
- The incentive cap on each project has been reduced from \$80,000 to \$50,000.
- The 200kW peak demand threshold has been waived for local government entities who receive and utilize their Energy Efficiency and Conservation Block Grant in conjunction with Direct Install.
- On a case-by-case basis, the Market Manager may accept a project for a customer that is within 10% of the 200kW peak demand threshold.

# HUTCHINSON

## Mechanical Services

621 Chapel Avenue | Cherry Hill, NJ 08034  
 TEL: 856-429-5807 | TOLL-FREE: 888-777-4501



### "Your Energy Experts"

Commercial • Industrial • Institutional • Residential  
 Heating • Ventilation • Air Conditioning • Plumbing

Visit us at [www.hutchbiz.com](http://www.hutchbiz.com)

## What's New at Hutchinson?

Hutchinson has been fortunate to be selected as a partner for the following projects:

- Merion Grille Room *Ehret Construction*
- Endo Center of Voorhees *Batten & Shaw*
- New Office Building *Bagden Construction*
- Bovis - Fitout at PSCC *Sweetwater*
- Strive Physical Therapy *Fentell*
- Sleepy's/AT&T *A & E Construction*

For the Owner:

- Marriott Residence Inn ATC Zoning System
- South Jersey Federal Credit Union, Honeywell Webs System
- New Jersey Farm Bureau ATC for Air Handlers, Chiller and Boilers
- SP Richards Honeywell Webs System
- Permalith Plastics Service Contract
- Renaissance of Monroe Service Contract
- Four Seasons Allentown Service Contract
- Upright MRI of Cherry Hill Service Contract

Look for more information on these projects in upcoming issues of *Commercial Connection*.

## Senators Follow Obama's Lead, Pitch \$6B Building Efficiency Bill

Earlier this year, the U.S. Department of Energy, led by President Barack Obama, launched a "Cash for Caulkers" program called Home Star to give rebates and other incentives to consumers who make their homes more energy efficient.



Now the legislature is taking the issue even further, with two senators pitching a \$6 billion rebate and tax incentive program to make apartment and commercial buildings more efficient.

Somewhat uncreatively, the bill that would establish this program is being called "**Building Star.**" And it's designed to create at least 150,000 jobs! The mission is to weatherize and retrofit properties to eliminate close to 1,000 megawatts of demand; this could save building owners more than \$3 billion every year.

Both Home Star and Building Star are designed to pick up where the government's long-time Energy Star efficiency program left off and **emphasize the same efficiency measures as before: insulation, better sealed windows and doors, updated heating and A/C, and dynamic lighting, to name a few.**

# HUTCHINSON

*Mechanical Services*



621 Chapel Avenue  
Cherry Hill, NJ 08034  
TEL: 856-429-5807  
FAX: 856-429-5852  
www.hutchbiz.com

RETURN SERVICE REQUESTED



Hutchinson is proud to be a member of the Southern New Jersey Development Council...your lobbying voice for South Jersey regional economic development.



**We're doing our part.** This newsletter is printed on environmentally-friendly paper—50% recycled, using 25% post-consumer waste, and is composed of a mixture of fibers from certified forests, post-consumer recycling processes and fibers from other controlled sources.