

Three lighting opportunities for achieving the commercial building tax deduction

Complete Deduction – Lighting is incorporated as part of a building solution involving lighting, HVAC/hot water, and building envelope. If the upgrade achieves a 50% savings in building energy and power costs for the lighting and HVAC/hot water compared to an energy modeled reference building meeting the minimum ASHRAE 90.1-2001 standard, the building owner can deduct the associated costs, up to \$1.80/sq. ft.

Partial Deduction – This allows the owner to upgrade just the lighting. If this results in a 16 2/3% savings in total energy usage and power costs (lighting + HVAC/hot water systems) compared to an energy modeled reference building, the building owner can deduct the associated costs, up to \$.60/sq. ft.

Interim Lighting Rules – The lighting power density (LPD) must be reduced to levels that are at least 25% lower than ASHRAE 90.1-2001 requirements to be eligible for a deduction. Maximum deduction requires LPD values to be at least 40% less than ASHRAE standards for non-warehouse applications. Warehouses must be 50% less than ASHRAE standards to receive the deduction. Interim lighting rules also require compliance with the bi-level switching and controls requirements of ASHRAE 90.1-2001 and light levels must meet the minimum requirements of the ninth edition of the IES lighting handbook.



Call Us Today To Learn More

EPAct offers a one-time tax deduction that will disappear after 2013, so call us today to learn more about the dual benefits of an efficiency upgrade that can lower your taxes. We'll work with your lighting designer to ensure complete compliance with ASHRAE/IES standards. EPAct Better for the environment... better for your bottom line!

It's Easy To Reach Us...

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Lit #EPACT0709

All specification information is subject to change without notification.



Let Universal Maximize Your EPAct Savings

We'll help you achieve higher efficiency for greater tax savings



Now You Can Improve Efficiency And Get A Tax Break, Too

When Congress passed the Energy Policy Act (EPA) of 2005, the objective was threefold: lower the nation's energy consumption, improve the environment, and reduce our dependence on foreign energy sources.

To meet these goals, EPA offers significant tax deductions to companies that invest in energy-efficient lighting systems. In fact, your business can deduct up to \$.60 per square ft. of lighting installation costs if you meet the act's energy goals.

Doing your efficiency upgrade now is truly a win/win scenario because you'll save energy dollars and you'll qualify for generous tax deductions. But it takes the lighting expertise of a proven partner like Universal to take full advantage of EPA.

EPA Highlights:

- Equipment must be placed in service by December 31, 2013
- Both new and retrofit projects qualify
- Amount of tax deduction cannot exceed upgrade cost (including materials and labor)
- Solutions must be certified by a qualified professional using qualified software
- Three lighting solution options for attaining the commercial buildings deduction
- Interim lighting rules require compliance with ASHRAE 90.1-2001 bi-level switching and controls requirements and IESNA minimum lighting levels

Each Application Has Unique Efficiency Goals

ASHRAE's efficiency guidelines vary widely by application. For the EPA deduction using the interim lighting rules, a warehouse must operate at .60 watt per sq. ft. to qualify for the maximum tax deduction, while a retail space must not exceed 1.14 watt per sq. ft. Tax deductions begin at 25% below ASHRAE 90.1 – 2001 maximum limits for non-warehouse spaces and 50% below maximum limits for warehouse spaces.



Office
.78 watt per sq. ft. for maximum tax deduction.



School/University
.90 watt per sq. ft. for maximum tax deduction.



Retail
1.14 watt per sq. ft. for maximum tax deduction.



Warehouse
.60 watt per sq. ft. for maximum tax deduction.

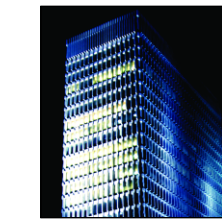
Lighting Power Density Tax Deduction Table for Interim Lighting Rules

LPD Reduction	ASHRAE/IES 90.1-1999 and 90.1-2001				Tax Deduction Interim Lighting Rules	
	Office LPD (w/sq.ft.)	School/University LPD (w/sq.ft.)	Retail LPD (w/sq.ft.)	Warehouse LPD (w/sq.ft.)	Non-Warehouse \$/sq.ft.	Warehouse \$/sq.ft.
0%	1.3	1.5	1.9	1.2	\$0.00	\$0.00
25%	0.975	1.125	1.425	0.9	\$0.30	\$0.00
30%	0.910	1.050	1.330	0.840	\$0.40	\$0.00
35%	0.845	0.975	1.235	0.780	\$0.50	\$0.00
40%	0.780	0.900	1.140	0.720	\$0.60	\$0.00
45%	0.715	.0825	1.045	0.660	\$0.60	\$0.00
50%	0.650	0.750	0.950	0.600	\$0.60	\$0.60
55%	0.585	0.675	0.855	0.540	\$0.60	\$0.60
60%	0.520	0.600	0.760	0.480	\$0.60	\$0.60

Non-warehouse lighting must achieve a minimum of 25% below ASHRAE LPD requirements for tax credit—and 40% below for maximum tax credit.

Universal Innovation Saves You More!

To get the maximum tax deduction, you'll need help from Universal. Our high efficiency ULTim8 ballasts and energy-saving F32T8 lamps are the ideal components. The examples below show how we can reduce LPD by 40% or more in a commercial office building and 60%+ in a high bay industrial application.



Office Lighting

Fixture Mounting Height: 10 ft. Total Square Footage: 24,000 Fixture Style: RECESSED 2' x 4' 3-LAMP WITH PRISMATIC LENS	ES Magnetic Ballast 2-lamp & 1-Lamp	High Efficiency Electronic 3-Lamp T8	High Efficiency Electronic 3-Lamp T8
Ballast Type			
Lamp Type	F34T12/CW	F32T8	F32T8/ES 30W
Mean Lamp Lumens	2280	2660	2650
Number of Lamps	3	3	3
Ballast Factor	0.88	0.77	0.77
Lamp/Ballast System Lumens	6,019	6,145	6,122
Watts per Fixture	118	73	69
Total Ballasts	510	255	255
Total Wattage	30,090	18,615	17,595
Watts per Square Foot	1.25	0.78	0.73
Cost/kWh	\$0.100	\$0.100	\$0.100
Annual Operating Hours	4,380	4,380	4,380
Annual Operating Costs	\$13,179	\$8,153	\$7,707
Annual Savings		\$5,026	\$5,473
ASHRAE/IES 90.1-2001 requirement (watts/sq.ft.)	1.3	1.3	1.3
LPD Below ASHRAE std.	4%	40%	44%
Eligible Deductions per sq.ft. if less than total installed cost		\$0.60	\$0.60
Maximum Commercial Building Deduction if less than total installed cost		\$14,000	\$14,000

For detailed tax information, please consult a tax expert.



Warehouse Lighting

Fixture Mounting Height: 30 ft. Total Square Footage: 200,000 Fixture Style: STANDARD HIGH BAY	Magnetic HID Ballast	High Efficiency Electronic 3-Lamp T8
Ballast Type		
Lamp Type	400W Metal Halide	High Lumen F32T8
Mean Lamp Lumens	24,500	2,945
Number of Lamps	1	6
Ballast Factor	1	1.18
Fixture Efficiency	0.75	0.93
Lamp/Ballast/Fixture System Lumens	18,375	19,391
Watts per Fixture	458	214
Total Ballasts	406	812
Total Wattage	185,948	86,884
Watts per Square Foot	0.93	0.43
Cost/kWh	\$0.100	\$0.100
Annual Operating Hours	5,000	5,000
Annual Operating Costs	\$92,974	\$43,422
Annual Savings		\$49,532
ASHRAE/IES 90.1-2001 requirement (watts/sq.ft.)	1.2	1.2
LPD Below ASHRAE std.		64%
Eligible Deductions per sq.ft. if less than total installed cost		\$0.60
Maximum Commercial Building Deduction if less than total installed cost		\$120,000

