

Rebates help home builders stay within budget

Overview

Sherri and Kevin, a home construction firm owned and operated by Sherri and Kevin Kubly, recently built eight prefab homes to be used as rental units in Edgewood, Iowa. The couple installed a high-efficiency natural gas furnace and water heater, and programmable thermostat in each unit. All ductwork was sealed tight; the ceilings, walls, and foundations were insulated; and ENERGY STAR® qualified windows were installed throughout the homes.

The equipment keeps natural gas usage low, allowing the tenants to live comfortably while saving money in the form of energy. In addition, we gave Sherri and Kevin \$42,400 in energy efficiency rebates.

Based on current natural gas prices and average use, the equipment typically provides annual natural gas savings of about \$400 per unit — or \$3,200 for all eight homes combined. The equipment cost Sherri and Kevin approximately \$22,000 and provides a combined simple payback period of 6.8 years.

The background

Sherri and Kevin wanted to build energy efficient homes that provide tenants with affordable living. Our rebate program helped make it possible for the couple to install a high-efficiency natural gas water heater and furnace in each of the eight homes.

The challenge

Building multiple, quality homes requires a lot of resources, including money. And staying on budget was imperative to the success of the overall project. Fortunately, by taking advantage of our rebate programs, Sherri and Kevin were ultimately able to stay within their budget.



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“We now have eight new, efficient houses because of the Black Hills Energy Rebate program.” – Sherri

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The solution

How our Residential New Construction program works

The utility's local supervisor encouraged Sherri and Kevin to consider using our rebate program for their new home project. Our representatives met with Sherri and Kevin to review the rebate options, and ultimately decided on pursuing a rebate track within the Residential New Construction program. Under the selected track, Sherri and Kevin needed to meet specified energy performance targets using current ENERGY STAR requirements.

Sherri and Kevin worked with Design Homes from Prairie Du Chien, Wisc., to submit a project proposal to us for approval to participate in the Residential New Construction program. Our team reviewed the project's cost and energy savings to determine program eligibility. We continued to work with Sherri and Kevin throughout the process to help them obtain the highest rebate possible.

Construction preparations began in February 2011 and the homes were finished six months later. Within just five weeks of submitting the necessary paperwork, Kevin and Sherri received their rebate check.

The rebates we sent allowed Sherri and Kevin to pay off bills, stay within budget and invest in high-efficiency equipment.

The equipment

Water Heaters (one per home, or eight total)

Equipment: 50-gallon, high-efficiency A.O. Smith condensing natural gas water heater

Energy Factor (EF): 67% (this means 67% of the energy going into the water heater gets turned into usable hot water)

Furnaces (one per home, or eight total)

Equipment: High-efficiency natural gas furnace

Annual Fuel Utilization Efficiency (AFUE): 94.1% (this means 94.1% of the energy in the fuel becomes heat for the home)

“Receiving the rebate checks allowed us to pay off bills and stay on budget. It is also a great benefit knowing the tenants will be able to live in an efficient and affordable house, and knowing we have top of the line equipment which will last longer than equipment with lower quality.”

– Sherri

The benefits

- \$3,200 in natural gas cost savings per year for all eight units combined (or \$400 per unit)
- \$42,400 in rebates from Black Hills Energy
- Minimal energy use, comfort and affordable living for tenants
- Combined simple payback of just 6.8 years

Who else can benefit?

Any of our customers in Iowa who are constructing a new home could likely benefit from undertaking the same rebate track as Sherri and Kevin.

How to get started

- Visit www.bheSaveMoney.com
- Call 888-567-0799