

Incentives

Given a choice, most people prefer the carrot to the stick; at this point in the development of green building methods, techniques and technologies, incentive systems seem a better approach than mandates. Incentives allow the private sector to experiment with a vast array of methods for achieving various levels of energy-efficiency and LEED certification. By combining all of a building's environmental attributes into a point system, LEED makes it easy to trade off among various components of a building while still achieving a specified result such as Silver, Gold or Platinum.

However, green building advocates and local and state government leaders are not going to wait around for the private sector to construct high-performance buildings. By 2010, if not sooner, we are going to see incentives coupled with mandates, as green buildings and green homes move into the mainstream. The issues of combating climate change are too urgent and too political to wait a generation for the private sector to start constructing and operating buildings in a sustainable manner. But for now, incentives are the preferred method for accelerating the growth of green buildings.

Examples of State and Local Green Buildings and Renewable Energy Incentives

Type of Incentive	Some Examples
Income tax credit for green buildings	Oregon and New York
Income tax credit for solar energy systems	Arizona, New York, New Mexico, Utah and Oregon
Property tax abatement for LEED Silver or higher ratings	Nevada, Michigan, Minnesota and Massachusetts
Sales tax relief for solar units	Arizona, Florida, Georgia, Idaho, Iowa, Maryland and Ohio
Priority processing of building permits	Chicago and Los Angeles
Density bonuses for LEED projects	Seattle and Arlington VA
Utility subsidies for photovoltaic systems	California, Arizona, Alabama, Colorado, Texas, Hawaii and Florida
Grants and loans for renewable energy systems	Alabama, Connecticut, Massachusetts, Minnesota, New York, Ohio and Tennessee

Directory of State Incentives for Renewable Energy