



Name Your Own Rebate for Water Savings

The concept of the “Name Your Own Rebate” for Water Savings program originated from the United States Environmental Protection Agency reverse auction method which determined what incentives communities employed to recruit homeowners to bid on rain barrels and rain gardens to help promote stormwater management.

The “Name Your Own Rebate” program was developed to determine what type of incentive is necessary to encourage homeowners in Rahway to update to water conserving technologies. Homeowners were given an opportunity to request a rebate award at the dollar increment they would need to purchase various water saving products. Awards were given based on availability of funding. Funding of water saving products came from the New Jersey Water Savers program budget and was matched by both American Standard and the Birdsall Corporation. Participants were chosen based on the lowest rebate bids and on available funding.

Once the appliances and fixtures are installed in the chosen households, Rutgers Cooperative Extension Water Resources Program will be monitoring the water usage to determine whether the appliances and fixtures helped to reduce water consumption. Information from this study will be used to determine appropriate economic incentives to encourage water conservation. Results are currently being collected and analyzed.

How to Implement “Name Your Own Rebate” for Water Savings in Your Community

Reverse auctions are an excellent way to promote environmental responsibility. These auctions are particularly useful with constrained or limited budgets. There are several factors that go into the decision on whether to use a “Name Your Own Rebate” program within a community.

- If a community will be working with multiple competitive suppliers, it is important to keep product specifications simple. For example, if you decide to provide participants with a variety of product options, you will need to determine how much water savings is needed for your program. In our program the toilets that were showcased offered a 20% water savings, faucets offered a 30% water savings, and showerheads offered a 40% water savings.

- There should also be an actual savings over conventional purchasing methods. By offering participants an opportunity to bid on rebates from 0-30%, participants have the ability to purchase top-of-the line appliances at a reduced rate. Participants were selected based on the lowest tier of bids.

The size and dollar value of the purchase is also an important determinant of whether or not to use a "Name Your Own Rebate" program. This type of program is better suited for higher dollar purchases because they do take time to set up and organize. For smaller purchases, it may be easier and more cost effective to negotiate directly with the suppliers or to use another tool. In order for this program to be successful, the water savings opportunity needs to be greater than the cost in time and resources needed to organize and run the "Name Your Own Rebate" program.