

"Name Your Own Rebate" for Water Savings

Situation

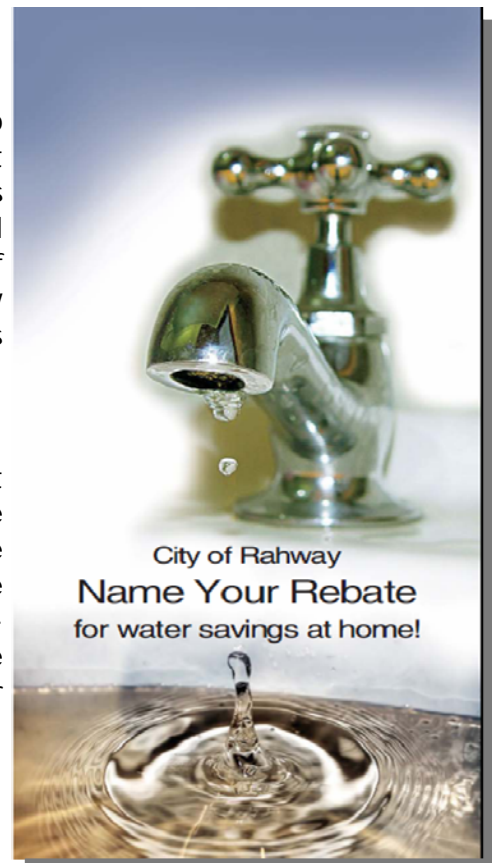
The "Name Your Own Rebate" program was developed and implemented in the City of Rahway, an urban community in northeastern New Jersey made up of mostly single family, older homes on ¼ acre lots. The city's population is 26,500 (2000 Census.) The population density is 6,642.7 people/square mile. There are 10,381 housing units of which 6,304 are owner occupied; 3,841 homes are renter occupied. Approximately 84% of these homes were built before 1960. Indoor water usage in Rahway is higher than outdoors (89 gallons per capita per day (gpcd) verses 29 gpcd), making it an ideal community to focus on programming to reduce indoor water consumption.

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.

Action

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 W.A. Birdsall Plumbing & HVAC Supply.

Participants were chosen based on the lowest rebate bids and on available funding. Once the appliances and fixtures are installed in the chosen households, the Rutgers Cooperative Extension Water Resources Program will be monitoring the water usage to determine whether the appliances and fixtures helped to reduce water consumption.



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Impact

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 are needed for your program. In our program, featured toilets offered 20% water savings, faucets offered 30% water savings, and showerheads offered 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. 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.

Information from this study will be used to determine appropriate economic incentives for encouraging water conservation. Data are currently being collected and analyzed.

New Jersey Water Savers Partnership

New Jersey Water Savers is a partnership between the Rutgers Cooperative Extension Water Resources Program, the New Jersey Department of Environmental Protection, and the United States Environmental Protection Agency. This partnership was created to provide leadership to promote water conservation throughout New Jersey. For more information on our partnership efforts, visit us at www.water.rutgers.edu.

