

# Energy Cost Savings for TN Small Businesses

## A Practical Funding & Savings Playbook

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Grants, rebates, tax credits, and zero-cost moves  
to cut energy bills across Middle Tennessee —  
Cookeville, Sparta, and beyond.

# Why This Playbook

If you run a small business in Tennessee, energy costs are one of your most frustrating line items. Prices creep up, margins stay tight, and 'going green' sounds like something only big corporations with sustainability budgets can afford. That's not true — and it's getting less true every year.

This playbook lays out practical funding programs, federal tax credits, state incentives, and no-investment moves that Tennessee SMBs — especially those in Middle Tennessee markets like Cookeville and Sparta — can act on right now.

## ■ Key Insight

Tennessee's rural designation status and TVA service territory put most small businesses in the state in a surprisingly strong position to access green energy funding — if they know where to look. Most don't. This playbook closes that gap.

## WHAT'S INSIDE THIS PLAYBOOK

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## STEP 1: START WITH WHAT COSTS YOU NOTHING

### Request a Free Energy Audit

The Tennessee Valley Authority (TVA) — which powers most of Middle Tennessee including Cookeville and Sparta — offers **free energy audits** for small commercial customers through local power distributors like Volunteer Energy Cooperative and Caney Fork Electric.

An auditor walks your space, identifies inefficiencies, and hands you a prioritized list of fixes. Many business owners find they can cut **15–20% off their bill** just from behavioral and operational changes with zero capital outlay.

#### Free Audit Contacts

- Caney Fork Electric: (931) 761-2168 — ask for small commercial energy programs
- Volunteer Energy Cooperative: (800) 459-8881 — request a commercial energy audit
- TVA EnergyRight: [energyright.com/business](https://energyright.com/business) — online rebate and program finder

## STEP 2: TVA ENERGYRIGHT® REBATE PROGRAMS

TVA's EnergyRight® for Business program is the most accessible starting point for Tennessee SMBs.

### Midstream Equipment Rebates

TVA pushes rebates directly through local distributors for HVAC upgrades, LED lighting retrofits, smart thermostats, and insulation improvements. You buy the efficient equipment, your contractor applies for the rebate, and you get cash back — sometimes covering **30–60% of the cost**.

### Small Business Energy Saver Program

For businesses under certain energy thresholds, TVA and local co-ops have offered direct installation of energy-saving measures at low or no cost. Availability varies by distributor — call your local co-op directly and ask specifically about small commercial programs.

#### ■ Rebate Tip

Always ask your contractor to check for active TVA midstream rebates before any equipment purchase — not after. Rebate availability can change quarterly and the contractor must register the project before installation in many cases.

## STEP 3: FEDERAL TAX CREDITS — REAL MONEY

The Inflation Reduction Act extended and expanded federal tax credits that apply directly to small businesses. These are not deductions — several are direct credits against your tax bill.

| Credit / Deduction                  | What It Covers                                   | Value                                    |
|-------------------------------------|--|--|
| <b>Investment Tax Credit (ITC)</b>  | Solar installation on commercial property        | 30% of install cost as direct tax credit |
| <b>Section 179D Deduction</b>       | Lighting, HVAC, building envelope improvements   | Up to \$5.00/sq ft deduction             |
| <b>Section 48 Equipment Credits</b> | Qualifying energy-efficient commercial equipment | Varies by equipment — confirm with CPA   |

*Example: A \$20,000 solar install for your business = \$6,000 directly off your tax bill via the ITC. Paired with TVA net metering, commercial solar ROI in Tennessee is often under seven years.*

## STEP 4: USDA REAP GRANTS FOR RURAL TENNESSEE

If your business is outside a major metro — which describes most of White County (Sparta) and much of Putnam County outside Cookeville proper — you may qualify for the **USDA Rural Energy for America Program (REAP)**.

### USDA REAP At a Glance

- Grants cover up to 50% of project costs for solar, geothermal, biomass, or energy efficiency improvements
- Target project range: \$10,000 – \$500,000
- One of the most generous funding sources available to rural small businesses in the U.S.
- Contact: USDA Tennessee Rural Development office, Nashville — ask about REAP eligibility first
- Application process is more involved than a rebate — plan 60–90 days for prep and submission

### ■ Rural Advantage

Being located in a rural area is an asset here, not a limitation. REAP is specifically designed for businesses in areas like White County, Putnam County, and similar Middle Tennessee markets that are often underserved by urban-focused grant programs.

## STEP 5: STATE LOANS & SBA 504 FINANCING

### TDEC Energy Division Loan Programs

The Tennessee Department of Environment and Conservation (TDEC) has periodically administered low-interest loan programs for energy efficiency and clean energy projects through its Energy Division. Programs come and go with state budget cycles — call TDEC's Energy Division directly to ask what's currently active.

### SBA 504 Loan Program

The SBA 504 loan can be used for energy efficiency upgrades when the project results in a **10% or greater reduction in energy consumption**. Key terms:

- Interest rates below market
- Terms of 10–25 years
- Down payment requirement typically just 10%
- Works well for businesses that own or are purchasing their building

#### ■ Who to Call

Tennessee Small Business Development Center (TSBDC) — free business advisors who can help you evaluate loan options including SBA 504: [tsbdc.org](http://tsbdc.org) | (615) 898-2745

## STEP 6: THE NO-INVESTMENT QUICK WINS LIST

Even if you're not ready for a solar install or HVAC replacement, these moves cost nothing and compound over time. Do these first — they fund your bigger projects.

| Quick Win                  | What to Do   | Est. Savings                |
|----------------------------|--|-----------------------------|
| <b>Free Energy Audit</b>   | Call your co-op, request a free commercial walkthrough                 | 15–20% bill reduction       |
| <b>LED Lighting Swap</b>   | Replace fluorescent/incandescent with LED; get TVA rebate              | Payback 6–18 months         |
| <b>Off-Peak Scheduling</b> | Shift high-draw equipment to off-peak hours on TOU rate plans          | 5–15% on applicable charges |
| <b>Smart Thermostat</b>    | Install programmable controls, especially for nights/weekends          | 10–15% HVAC cost            |
| <b>Weatherization</b>      | Caulk, weatherstripping, door sweeps — least glamorous, most effective | Up to 10% heating/cooling   |

## STEP 7: YOUR ACTION PLAN — START THIS WEEK

Use this table as your checklist. The first three actions cost nothing and will tell you exactly where your biggest opportunities are.

| # | Action   | Where / Who   |
|---|--|---|
| 1 | Call your local electric co-op and request a free commercial energy audit  | Caney Fork: (931) 761-2168<br>Volunteer Energy: (800) 459-8881          |
| 2 | Visit <a href="https://energyright.com/business">energyright.com/business</a> and review current rebate offerings for your equipment type                      | <a href="https://energyright.com/business">energyright.com/business</a> |
| 3 | Talk to your CPA about the ITC (Section 48) and Section 179D before your fiscal year ends  | Your tax preparer or CPA  |
| 4 | If you're in a rural area, call USDA TN Rural Development and ask about REAP grant eligibility   | USDA Rural Dev., Nashville<br>(615) 783-1300                            |
| 5 | Contact TSBDC for free advisor help on SBA 504 loan options for your energy project  | <a href="https://tsbdc.org">tsbdc.org</a> (615) 898-2745                |
| 6 | Check the green business directory at <a href="https://cleanupspartatn.com">cleanupspartatn.com</a> for vetted local contractors who know the rebate landscape | <a href="https://cleanupspartatn.com">cleanupspartatn.com</a>           |

## ABOUT CLEAN UP SPARTA TN

Clean Up Sparta TN is a non-profit promoting clean communities and green energy awareness across Tennessee. We support community cleanup events, maintain a directory of green companies in the Sparta and Cookeville area, and help SMBs understand that sustainability is both an environmental stance and a financial strategy.

This playbook is one part of that mission. For upcoming cleanup events, the green business directory, and more resources: [cleanupspartatn.com](https://cleanupspartatn.com)

*Disclaimer: Program availability, rebate amounts, and tax credit rules change frequently. Verify current terms directly with TVA, USDA, TDEC, or your tax professional before making investment decisions. This playbook is for informational purposes only.*