



Utility Incentives for Combined Heat and Power

Katrina Pielli

U.S. EPA

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The Report

- Describes utility policies and programs launched by investor-owned and public gas and electric utilities
- Discusses utility actions resulting from state policies to promote CHP
- Presents case studies of three successful CHP projects that resulted from utility-initiated programs to advance CHP
- Highlights tools and resources the CHPP has available to help utilities implement CHP projects

Summary of Findings

- 41 U.S. utility companies researched
- 18 provide support for CHP independent of a state-mandated program
 - 4 gas only
 - 2 electric only
 - 12 gas and electric
 - 8 IOU
- Direct financial incentives (i.e., grants or rebates) that are not the result of state policies are not commonly offered

Summary of Findings cont'd

- Research identified 16 types of utility actions/programs that support CHP development (other than direct financial incentives for CHP system installation)
 - Program Funding (e.g., system benefits charge)
 - RFP for Supply
 - CHP R&D/Demonstration Projects
 - Outreach (e.g., CHP-specific Web page)
 - Site/Feasibility Analyses
 - Design & Engineering
 - Construction & Installation
 - Maintenance & Operation
 - Project Management
 - Ownership/Joint-Ownership
 - Performance Contracting
 - Favorable Gas Rates
 - Load Curtailment Payments
 - Regulatory Process Advice
 - Shared Savings Loans (waste heat recovery)
 - Custom Rebates (waste heat recovery)

Summary of Findings (cont'd)

- Utility actions in response to state policies and initiatives to promote CHP vary widely:
 - Collection of system benefits charges (SBCs) (e.g., New York and Vermont)
 - Assistance with accessing state funding (e.g., Connecticut and New Jersey)
 - Administration of state-initiated programs (e.g., California and Minnesota)

Download *Utility Incentives for Combined Heat and Power* at:

www.epa.gov/chp/markets/utilities.html