4.11.000-P Combined Heat and Power Policy

History			
Source	Date	Action/Notes	Next Review Date
Board Decision	December 19, 2002	Approved (R149)	March 3, 2004
Board	March 3, 2004	Reviewed-No Change	February 2005
Board	February 16, 2005	Reviewed & deferred for 6 months	August 2005
Board	September 7, 2005	Revised (R348)	Report to board in early 2006; review implementation in 9/08
Board	December 19, 2008	Revised (R499)	9/2011

Introduction

Fossil-fueled combined heat and power (CHP) projects may have certain economic and environmental advantages, including potential energy efficiencies, which make them of interest to the Energy Trust.

Energy Trust currently supports only renewable energy CHP projects, small market transformation CHP projects, and the use of waste heat for limited purposes.

The Oregon Public Utility Commission has encouraged the Energy Trust to support CHP projects that reduce customers' on-site energy requirements.

Policy

a. In addition to incentives for other measures, Energy Trust should offer incentives for fossil-fuel CHP generation that is more cost-effective than the alternative resource and would be used on-site. Energy Trust will not offer incentives for fossil CHP power for sale (other than utility buy-sell arrangements).
b. Energy Trust will use budgets and structures of existing programs, and adjust incentives to reflect any higher level of risk compared to other projects.
c. Energy Trust will evaluate projects using a cost-effectiveness methodology that is comparable to that used for the same type of facility or dwelling, but which accounts for unique CHP features.
d. Energy Trust will limit eligibility to facilities that use Pacific Power or PGE electricity.
e. Energy Trust will provide no higher incentives for CHP projects funded through efficiency programs than comparable CHP projects funded through the renewable program.

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