

The Case For DG Federal & State Resources

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NEMW Institute and Coalition

- The Northeast-Midwest Institute is a Washington-based, private, non-profit, and non-partisan research organization dedicated to economic vitality, environmental quality, and regional equity for Northeast and Midwest states.
- Formed in the mid-1970's, it fulfills its mission by conducting research and analysis, developing and advancing innovative policy, providing evaluation of key federal programs, disseminating information, and highlighting sound economic and environmental technologies and practices.
- The Institute is unique among policy centers because of its ties to Congress through the Northeast-Midwest Congressional and Senate Coalitions. Co-chaired by Senators Susan Collins (R-ME) and Jack Reed (D-RI), and Reps. Marty Meehan (D-MA) and Jack Quinn (R-NY), the bipartisan coalitions advance federal policies that enhance the region's economy and environment.

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"Wasted Energy"

- There are disasters, there are fiascos – and then there is the Senate Energy Bill
- Essentially we start over again...
- Very partisan climate in House and Senate
- 10% tax investment credit language in House and Senate bills
- Real action is happening at the regional and state level

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FERC Actions on Interconnect

- ANOPR out last year was hotly negotiated by the DG and the renewables communities in partnership
- Agreement to separate out the size categories as < 2 MWs and > 2 MWs
- Promise to include the distribution system as well as the transmission system = jurisdictional question?

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FERC cont.

- NOPR for small gen interconnect released July 24, 2003 (124 pages)
- 45 day period for comments underway
- Will not include FERC control over distribution system to any significant level
- Interstate commerce comes into play = likely legal entanglements for some time to come
- Final rule out in the fall – with luck
- USCHPA info on FERC process: www.uschpa.org/PolicyFed.htm

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Regional Resources

- USCHPA Web Site - www.uschpa.org
- DOE and EPA
 - Distributed Energy Resources w/contact in each of the regional DOE offices
 - EPA's CHP Partners Program with connections through EPA regional offices
- CHP/DG Application Centers (TBA)
 - Existing MW CHP Application Center
- CHP Regional Initiatives
 - www.uschpa.org/regional.htm
- CHP State Regulatory/Legislative Efforts
 - www.uschpa.org/stateCHP.html

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State Tariff Status

- It is coming down to the states to take up the banner for CHP
- Stand-by rates are under discussion in a number of states: NY, Massachusetts, Michigan, Connecticut, California, and Texas with others considering
- Onerous tariffs still a big negative for CHP/DG; utilities still carry a lot of weight in state level decision-making = make or break

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States and Interconnection

- Interconnection standard negotiations and agreements under way in a number of states: NY, Massachusetts, California, Connecticut, Michigan, Illinois, Texas – mostly in states with restructured electricity markets
- In the SE, SW, and NW, states remain largely regulated and their electricity markets remain under the control of the utilities who are not welcoming of CHP/DG in their backyards

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State RPS Programs

- Again, the states who have RPS programs usually promote “renewables” and not CHP technology
- Sometimes fuel cells are named but not as they function in CHP mode
- California and Massachusetts are discussing the inclusion of CHP/thermal in their RPSs while Maine is discussing removing it
- Renewables community does not see an alliance with CHP community

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Systems Benefit Programs

- Most restructured states have system benefits funding programs, some include funding for CHP/clean DG projects
- NYSERDA in NY has up to \$15 million per round for CHP projects; California is in the process of setting up a multi-million dollar fund for CHP projects; San Diego is considering it in their municipality
- Again, restructuring is the key

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Brownfields and CHP

- Brownfield redevelopment sites in the states are potential candidates for on-site energy systems (~450,000 sites, many of them government owned)
- Offers a solution to inner city sites constrained by reasonable access to the grid
- Existing projects in process in Boston area, Des Moines, and a past one in Chicago
- Site selection criteria manual found at: www.nemw.org/energy_brownfield.htm

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CHP Roadmap Work

- USCHPA, DOE, EPA, and others have been working for years on the issues facing CHP/DG in this country
- A roadmap exists to guide the efforts of all and it is working – to double CHP projects in the US to 92 GWs by 2010
- Resource page at: www.uschpa.org/RoadmapProcess.htm

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CHP 4th Annual Roadmap Event

- Join the party and support improving the CHP market opportunities in federal facilities and elsewhere...
 - Good for the economy; good for the environment; and good for reliability
- Conference event in Chicago, Sept. 23rd and 24th
- Info at: www.uschpa.org/Roadmap2003.htm

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