



Background and Recent Activity: Combined Heat and Power

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Minnesota: Statewide Energy Policy Objectives

Conservation Improvement Program (CIP)

- MN Statute 216B.241
- Utility Energy Efficiency and Conservation Goals
 - 1.5% = Electric
 - 1% = Natural Gas
- CHP/WHR Eligibility included in 2013

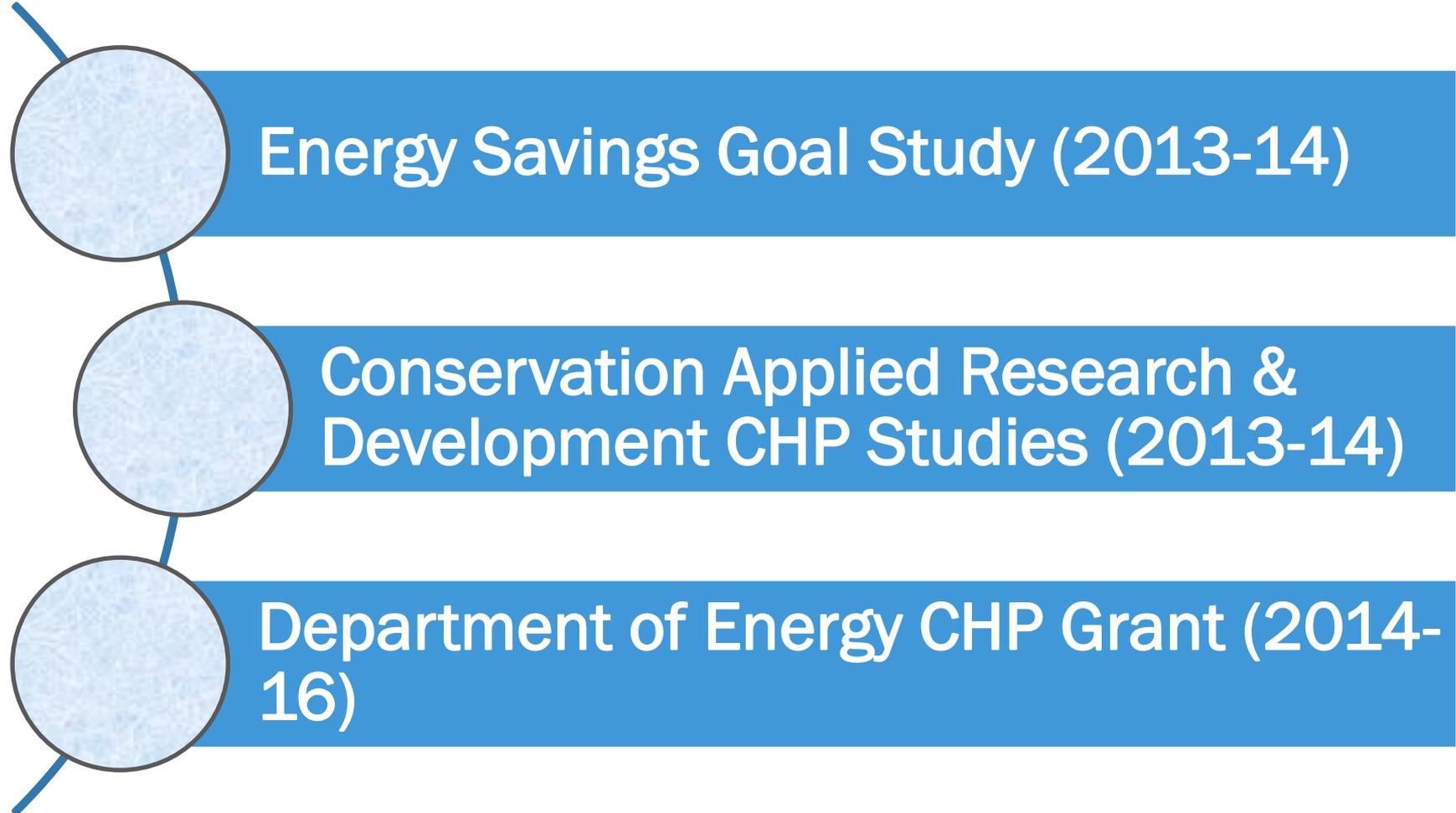
Renewable Energy Standard (RES)

- MN Statute 216C.05, Subd. 2
- Portfolio standard = 25% by 2025
- Biomass CHP Eligible for inclusion in the RES

Greenhouse Gas Emissions Goals (GHG)

- MN Statute 216H.02
- 15% by 2015
- 30% by 2025
- 80% by 2050
- CHP is a potential tool to achieve increased GHG emissions reductions

How Did We Get Here?



Energy Savings Goal Study (ESG)

Legislation

H.F. 729, 4th Engrossment, Article 12, Section 8 established the Energy Savings Goal Study (ESG)

- The Department of Commerce was charged with completing this work

Stakeholder Process

Commerce conducted stakeholder meetings on various topics in late 2013:

- Industrial energy efficiency
- Combined heat and power

Report

Report and ESG findings presented to the Minnesota Legislature in 2014:

- Recommendations were made for continued evaluation of CHP

Energy Savings Goal Study: CHP Key Findings

1. The [policy objective](#) for greater CHP implementation and eligibility in CIP needs to be better defined
2. [Stand-by rates](#) identified as a barrier to increased CHP implementation
3. More detailed data on [CHP potential](#) in Minnesota is needed
4. Any CHP program or standard should [reduce risk to customers and utilities](#), and have long-term [achievement objectives](#) focusing on system reliability and utility/operator relationships
5. Questions remain regarding [CHP system ownership structures](#) from customer and utility perspectives

CHP Studies – Conservation Applied Research and Development (CARD)

- *CHP Standby Rates and Net Metering*
 - Conducted by Energy Resources Center (University of Illinois)
 - Completed April 2014
- *Minnesota CHP Policies and Potential*
 - Conducted by FVB Energy/ICF International
 - Completed August 2014

US Department of Energy Grant: CHP Project Process

Phase 1

- Strategic Planning
- Prepare for stakeholder engagement and set agendas
- Feb – May 2014

Phase 2

- Stakeholder Engagement
- Continue discussions based on ESG and CARD work
- May 2014 – Feb 2015

Phase 3

- Action Plan
- Identify next steps for further evaluation/implementation
- Feb – Dec 2015

Phase 4

- Dissemination of Results
- Continue communications with stakeholders
- Dec 2015 – Jan 2016

Questions?

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