

May 15, 2015

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Minnesota Department of Commerce
Division of Energy Resources

Thank you for the opportunity to comment on the draft Combined Heat and Power (CHP) Action Plan, as released on March 31, 2015. Ever-Green Energy has been a long-standing advocate for the accelerated implementation of CHP in Minnesota. We hope this planning process results in a path forward for CHP projects already under consideration and future projects that can greatly increase the efficiency of our energy system and reduce greenhouse gas emissions.

On behalf of Ever-Green Energy and its affiliate organizations, we submit the following comments for your consideration as you move forward with this process:

- We support the priority issues identified in the CHP Action Plan and the timing of most of the action steps recommended, with the exception of “adapting CIP for supply side investments.” We generally agree with the intent of this step but recommend that it be moved up in the timeline to the near or immediate term.
- Based upon comments shared during the various CHP stakeholder meetings it is clearly very important to establish a CHP attribution model to provide certainty and clarity. Establishing a methodology in Minnesota’s TRM would be an important outcome of your work.
- The Action Plan recommends mapping CHP Opportunities at wastewater treatment facilities and public facilities. During your mapping efforts, we encourage you to prioritize higher education campuses and other locations with existing or planned district heating or cooling systems. Of these systems, those with thermal tanks would be particularly advantageous. It would also be beneficial to identify locations where installation of CHP would provide grid benefits.
- The cost of capital is an important consideration in the economic viability of CHP projects. We suggest the action plan include the exploration, summarization, and communication of credit enhancements and other financing strategies, such as new market tax credits.
- The CHP Action Plan tends to emphasize new CHP installations. Existing power generation (exclusive) plants can and should be converted to CHP plants where feasible. We recommend evaluating and including these improvements, potentially under the area of Adapting CIP for Supply-side investments.
- Utility resource planning clearly has a major influence over our near and long-term energy system efficiency and potential for improvement. It is critically important that CHP (new and existing) be included in future utility resource plans.

We commend the State of Minnesota Department of Commerce for your efforts to quantify CHP potential and promote a smart energy future that includes more CHP in our state. Minnesota is uniquely positioned for CHP development, given a wide range of in-state technical resources, forward-thinking utilities, industrial sector, year-round heating and cooling loads, caliber of district energy systems, and stakeholders who will promote CHP to meet our efficiency and greenhouse gas emission goals.

Thank you for the opportunity to comment. We hope we can be part of your next steps. Please don’t hesitate to contact us to discuss this action plan further.

Submitted on behalf of Ken Smith, President and CEO of Ever-Green Energy and its affiliates.