

Where Waste Heat Fits . . .

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within Combined Heat and Power?

- Generation of Heat and Power from a single fuel source
- Captures "waste" heat
- Similar barriers and drivers
- Similar equipment
- Similar community



within Clean Energy?

- EPA has consistently supported clean energy – energy efficiency, renewable energy, and distributed generation as effective Greenhouse Gas reduction strategy
- Waste heat to power fits squarely within this strategy



Benefits of Clean Energy (EE, RE, and DG)

- Economic
 - Lower cost compared to new generation and transmission
 - Downward pressure on natural gas prices
 - Lower wholesale electricity prices
 - Improved local economy
 - Improved service to low income and seniors
- Risk Management
 - Diversify a utility's generation supply portfolio
 - Reduce environmental regulatory risk to utilities
- Environmental
 - Lower greenhouse gas emissions and air pollutants
 - Lower water use
- Utility System Benefits
 - Quick fix with longer term benefits
 - Improved security of electricity and gas systems
 - Lower peak demand / improved reliability

 ✓ "<u>Clean Energy</u>" includes costeffective energy efficiency (EE), renewable energy (RE), and clean distributed generation (DG) such as combined heat and power (CHP).



within a Greenhouse Gas Reduction Strategy?

- Displaces fossil fuel use
- Effective and economic greenhouse gas reduction measure
- Consistently cited as top measure by state and local regulatory initiatives as well as regional and corporate voluntary initiatives



Global and Local Benefits

- Efficiency gains translate to emission reductions:
 - $-SO_2$
 - $-NO_x$
- Commensurate greenhouse gas reductions.



Recognizing Environmental Benefit

- Key to encouraging CHP-DG & waste heat recovery is in recognizing its primary benefits:
 - Higher efficiency
 - Onsite thermal and electrical generation (avoid transmission & distribution losses)
 - State-of-the-art technology (emission offsets)



Monetizing Environmental Benefits

Environmental Revenue Streams: Any number of programs that reward clean power generation and provide one time or ongoing revenue source.

Emissions Programs

- Emission allowance trading programs (cap and trade)
- New source emission offset programs
- CO₂ offset programs

Generation Programs

- Energy portfolio standard programs
- Voluntary green power purchases



STAGE 2 STAGE 3 STAGE 4 Level 1 Level 2 Procurement Feasibility Analysis **Feasibility Analysis** STAGE 1 STAGE 5 Operation and Qualification Maintenance **CHP Results CHP** SEPA COMBINED HEAT A 7 Annual Emissions Analysis Displaced Displaced Electricity Emissions Percent Thermal CHP System Production Production Reduction Reduction 9 NOx(tons/gear) 29.01 208.81 6.09 185.89 \$65 100% 4.41 547.09 10 SO2 (tons/year) 0.11 542.78 11 CO2 (tons/year) 21,303 92,200 4,876 75,773 785 78% 12 Carbon (metric tonsilvear) 5,810 25,146 1,330 20,665 364,159 60.945 636 998 645 13 Fuel Consumption (MMBtulyear) 940,211 14 Acres of Forest 20,665 15 Number of Cars 12.916 This CHP project will reduce emissions of Carbon Dioxide (CO2) by 75,773 tons per year This is equal to 20,665 metric tons of carbon equivalent (MTCE) per year 19 21 22 23 This reduction is equal to This reduction is equal to the carbon absorbed by the carbon absorbed by 24 20,665 acres of forest 12,916 cars off the road 25 26 27 28 29 OR CHP Funding Opportunities Namo Type State Sort by Adv Power System Tech Pro-Rebate National gram - Sec 1224 Agriculture Energy Efficiency Grant AL Program Alaska Power Project Loan Loan AK SCHD Fund

SEPA

COMBINED HEAT AND POWER PARTNERSHIP

Supporting Projects

- Procurement Guide
- CHP Emissions Calculator
- Funding Database •

Waste Heat is Starting to Get Recognition

- 10 State Renewable Portfolio Standards 3 specifically call out waste heat
- 2005 Energy Policy Act & New FERC Regs
- AB 1613 "Waste Heat and Carbon Emissions Reduction Act."
- Self Generation Incentive Program
- House Energy Bill
- Other state efforts to improve interconnection practices and other policies that facilitate EE



The EPA CHP Partnership

- Voluntary program seeks to reduce the environmental impact of power generation by promoting the use of CHP.
- Actively providing education/outreach and direct project assistance since 2001.
- Provide services and tools for Partners to assist with CHP project development, regulatory barriers, market transformation.
- Work with government and environmental community to evaluate environmental benefits of CHP.



Resources for Greenhouse Gas Reductions



CHP Partnership



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Or visit our website at

www.epa.gov/chp



or

Planting More Than 2.8 Million Acres of Trees

2,856,000