



No. 14

Aug. 24, 2010

GC RAC congratulates the Thermal Energy Corporation, which unveiled its 48 MW CHP plant today (see article). The plant will provide steam, chilled water, and electricity to the Texas Medical Center.



The Thermal Energy Corporation's new CHP plant will provide reliable, efficient energy to the Texas Medical Center.

TECO Dedication Unveils 48 MW CHP

The Thermal Energy Corporation (TECO) unveiled its new 48 MW combined heat and power (CHP) plant at a dedication ceremony in Houston, Texas, today. TECO President and CEO Steve Swinson was joined by numerous Texas Medical Center (TMC) executives and officials from the U.S. Department of Energy.

TECO is the largest campus district chilled water system in the country and provides district heating and cooling to 18 institutions in TMC, the world's largest medical center. The plant's upcoming dedication marks the completion of the first phase of an overall 100 MW project using CHP, for which

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Important Dates

Aug. 24-26

Clean Air Through Energy Efficiency [Conference](#) (Austin, TX) - **GC RAC presenting**

Aug. 26

Rural Alliance for Renewable Energy [Biomass Workshop](#) (College Station, TX)

Aug. 27

Deadline for comment: [Louisiana RPS implementation draft](#)

Aug. 30

Deadline: [RFP for VA medical center CHP](#) (Battle Creek, MI)

Sept. 15

Industrial EE Programs for Utilities [Workshop](#) (Oklahoma City, OK) - **GC RAC presenting**

Sept. 15-17

Texas Association on Regionalism [Conference](#) (San Antonio, TX)

Sept. 29-30

Waste Heat to Power [Workshop](#) (Chicago, IL)

Sept. 30- Oct. 1

[Border Energy Forum XVII](#)

TECO was awarded \$10 million in federal stimulus funds.

"When efficiency, economics, the environment, and reliability are considered, the most effective way to achieve them is with CHP. With the addition of TECO's first phase of the CHP Project, our thermal energy production will be some of the most cost-effective and efficient in the country," said TECO President and CEO Steve Swinson. "The critical-mission institutions that TECO serves in the Texas Medical Center demand cost-effective and reliable energy service. Failure is not an option for TECO."



Texas CHP Initiative member Cliff Braddock, left, presents TECO President and CEO Steve Swinson with the Initiative's Award for Achievement.

The new CHP system will improve energy security for a large portion of the TMC. Numerous natural disasters visited upon the Gulf Coast in recent years have knocked out power in the region, even disrupting services by local critical infrastructure such as hospitals.* TECO's investment in CHP ensures the TMC remains operational regardless of weather conditions. In addition to energy security, TECO's CHP system will reduce NOx by 302 tons per year, CO2 by 305,000 tons per year, and SO2 by 83,000 metric tons per year, according to Swinson.

* In response to grid damage wrought by Hurricane Ike, the Texas Legislature passed HB 1831 and HB 4409 during the 2009 session, requiring operators of critical government facilities to procure CHP feasibility studies prior to construction or major renovation.

POLICY MATTERS

Louisiana RPS Design, RFP Process Ready Final Preparation

Some CHP, WHR Tentatively Excluded; Public Comment Deadline Aug. 27

The Louisiana Public Service Commission (PSC) unveiled its proposal for the state's Pilot Renewable Portfolio Standard (RPS) earlier this month. As the proposal currently stands, CHP systems fueled by natural gas and waste heat units with non-electric end uses are tentatively set to be excluded from the Pilot program. The PSC is providing an opportunity for public comment on the RPS draft implementation plan. The deadline is this Friday,

(Chihuahua, Chihuahua)

Oct. 6-8

USCHPA Annual Conference
(Washington, DC)

Nov. 2-3

U.S. EPA CHP Partners Meeting
(Austin, TX)

Jan. 11

Texas 82nd Legislature convenes
(Austin, TX)

Did you know?

As recently spotlighted by Austin-American Statesman, the Texas Facilities' Commission is strongly considering CHP for the state's Capitol complex in Austin, for which GC RAC conducted CHP feasibility studies earlier this year.

Must read

CNN reports that electricity blackouts are skyrocketing nationwide. Even as additional power plants have come online to match increasing demand, blackouts have increased 124% over the past two decades.

This report contends that the U.S. is over-reliant on the centralized power distribution system. More widespread adoption of forms of distributed generation such as CHP could enhance energy security and relieve stress on the grid.

Spotlight on TXCHPI

Nat Treadway

DEFG

Nat Treadway serves as managing partner of Distributed Energy Financial Group (DEFG) LLC, a national consulting firm providing market analysis and financial services relating to distributed generation (DG). Treadway focuses on electric market structure, retail energy services, energy efficiency, demand response, and DG. Treadway also spearheads the Annual Baseline Assessment of Choice in Canada and the United States (ABACCUS) report, which assesses states' performances

Aug. 27.

Energy utility [Entergy LLC](#) provided an overview of the RFP process at its Bidder's Conference in Baton Rouge on Aug. 18. Entergy's RFP process, which will target RPS-eligible projects that can come online between 2011-2014, will entail a multi-phase evaluation process involving four teams that will evaluate projects' cost, reliability, and risk mitigation in addition to bidders' credit history and collateral. Entergy's [conference presentation](#), which details the evaluation process, can be found on its [RFP website](#).



The Pilot RPS will run through 2013 and is expected to spur up to 350 MW in new renewable capacity statewide. In addition to an RFP component, the Pilot RPS will feature a research component designed to evaluate promising renewable technologies with respect to the state's resources and needs. Data gathered from the Pilot RPS' two components will inform the PSC's decision whether and how to design a full-scale RPS beyond 2013.

North Carolina Raises ITC for CHP

North Carolina recently implemented a 35% investment tax credit (ITC) for CHP projects. Under the new law, North Carolina businesses that install a CHP system can receive a tax credit from the state equal to 35 percent of the cost of the equipment, construction, and installation, up to a maximum of \$2.5 million. The state's ITC was previously only available to solar, wind, geothermal and other renewable electricity production technologies.

The state's ITC is in addition to the existing federal 10% ITC, which may increase if pending legislation passes. [Federal legislation](#) introduced in March by House Rep. Paul Tonko, D-N.Y. proposes the removal of the current tax credit limitation to small projects, as the current 10 percent federal credit only applies to the first 15 megawatts (MW) of a project and is limited to 50 MW in size. The bill would apply the tax credit to a project's first 25 MW, as well provide a 30 percent credit for recycled energy and CHP with efficiencies above 70 percent.

CHP Funding Opportunities

CHP projects qualify for funding under two recent federal

regarding retail electric choice.

Treadway's expertise in electric markets stems from his past experience as a policy advisor for the Public Utility Commission of Texas, where he headed the development of interconnection guidelines for DG in Texas. His background and experience in regulatory issues related to DG has been of great value to the [Texas CHP Initiative](#), for which he serves as Vice President of Communication

Treadway recently contributed a chapter on the history of DG in Texas to [Electricity Restructuring: The Texas Story](#) (AEI Press, 2009). Treadway also dispenses updates on CHP and other DG developments on his [Twitter account](#).



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Newsletter Archive

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About the Center

The U.S. Department of Energy Gulf Coast Clean Energy Application Center (GC RAC) facilitates greater deployment of clean energy technologies like combined heat and power (CHP), district energy, and waste heat recovery in Texas, Louisiana, and Oklahoma.

solicitations. One opportunity, issued by the U.S. Department of Veterans Affairs, specifically targets CHP system providers for a new medical center in Battle Creek, Michigan. A second opportunity, issued by the U.S. Department of Agriculture under its Rural Energy for America Program (REAP), will fund audits and feasibility studies for agricultural and small rural projects considering renewable energy systems, including CHP.

Co-Generation Energy System, Battle Creek Veterans Affairs Medical Center (VAMC)

Battle Creek, MI 49037

Solicitation #: VA70110RP0183

Expected Project Award: \$10,000,000 to \$20,000,000

Responses Due: 8/30/10

Notice of Funding Availability (NOFA) for Renewable Energy Feasibility Studies Grants Under the Rural Energy for America Program (REAP)

Available Funding: \$3,000,000 for fiscal year (FY) 2010 to conduct feasibility studies

Maximum Grant Requests: 25% of eligible project costs or \$50,000 (whichever is less)

Applicable Entities: Agriculture producers and rural small businesses

Responses Due: 10/05/10

The GC RAC provides education and outreach programs to technology adopters, policy makers, and regulators. We also provide project-specific support services to help adopters evaluate the benefits of clean energy technologies. In addition, we work with the clean energy industry and other stakeholders on policies supporting clean energy.

Two New Reports Assess State-specific Clean Energy Opportunities

"The Role of Incentives in Promoting CHP Development," ACEEE

The American Council for an Energy-Efficient Economy (ACEEE) recently issued a report on the variability of states' regulatory and market barriers to CHP. The report ranks Texas among those states with a favorable regulatory environment and lagging incentives with respect to CHP.

"Texas' Clean Energy Economy", Billy Hamilton Consulting

A study conducted Billy Hamilton Consulting assess renewable energy's potential in Texas. Although CHP is not specifically addressed, the report provides a comprehensive assessment of the state's energy policy, potential for green jobs, and other economic drivers.

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Gulf Coast Clean Energy Application Center
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