



QUALITY PRODUCTS FOR THE ONSITE POWER INDUSTRY

Conference Kicks Off New Intermountain CHP Initiative and Regional Application Center

By: Dennis Roundtree, Onsite Power Inc.

I was privileged to spend the last two days of April at the kickoff meeting for the Department of Energy-sponsored Intermountain Combined Heat and Power Initiative and Regional Application Center.

The Intermountain Regional Application Center (IMRAC) will be a valuable resource for all of us in developing CHP projects. The IMRAC is being implemented jointly by three organizations:

- Energy Strategies, Salt Lake City, UT
- etc Group, Salt Lake City, UT
- Southwest Energy Efficiency Project (SWEET), Boulder, CO

Initial funding for the IMRAC has been provided by the U.S. Department of Energy through a grant to the Wyoming Business Council. The IMRAC has also received support from U.S. DOE's Denver support office.

This is the latest in a series of efforts by the Department of Energy to promote the adoption of combined heat and power as a viable alternative energy source.

CHP is still a little ways off as a mainstream energy alternative in the Intermountain area due to relatively low energy prices, high natural gas prices and utility opposition, but it doesn't take a crystal ball to see that CHP will play a bigger role as some of the factors that drive CHP growth in the east, Midwest and California start to show up in our area.

The IMRAC plans to provide the following services:

- **Market Assessment:** The IMRAC is tracking CHP system adoption and capacity in each of its states, as well as analyzing CHP market potential. The Center is also maintaining an inventory of CHP vendors and consultants, and identifying regulatory, economic and technical barriers to CHP adoption state-by-state.
- **Policy Review:** The IMRAC is analyzing relevant utility regulatory and environmental permitting policies state-by-state. The Center, working with a broader regional CHP coalition, will educate regulators and policy makers on the specific barriers to CHP implementation and ways to overcome them.

4048 S. Kirk Ct.	Phone: 303 690 8486
Aurora, CO. 80013	Fax: 303 374 2352

www.onpwrmtg.com

- **Education and Outreach:** The IMRAC is developing and/or compiling technology briefs, case studies, fact sheets, project screening tools, and other resources that can help to educate end users, design firms and regulators. The Center makes presentations and organizes workshops, starting with the inaugural workshop held in Denver, April 29-30, 2004. In addition, the Center's web site (www.intermountainCHP.org) is helping to disseminate this information.
- **Coalition Building:** The IMRAC is working with stakeholders in developing a regional CHP coalition that will assist in informing and policy makers on the barriers to and benefits from CHP deployment. Individual members of the coalition will be asked to assist in particular areas.
- **Project Support:** The IMRAC is helping end users with initial screening of CHP site and project viability, as well as with more detailed feasibility assessments. In addition, the Center is advising end users as they proceed with project development.

The Intermountain Combined Heat and Power Initiative is visualized as a coalition of CHP stakeholders that will work for the common goal of promoting CHP in the Rocky Mountain area. It is not funded as a part of the RAC, and one of the first orders of business will be to develop funding mechanisms for the organization. I am proud to say that I was selected for the steering committee for the Initiative and look forward to moving it forward.

The second order of business in my view will be the gathering of those stakeholders, especially among the many suppliers and contractors with an interest in this area. At the kickoff meeting, only two generation equipment manufacturers (Cat and Aircogen) and only one local distributor of generation equipment (Wagner Equipment) were represented. One of our goals will have to be to get more involvement from the vendors of CHP equipment.

The meeting produced some very spirited debate on the most significant barriers to be overcome and the steps required to overcome them. Obviously, the most significant barrier at the moment to CHP feasibility in the Intermountain area is "spark spread"—the price gap between natural gas fuel costs and power costs—it is simply too narrow. However, this situation is not forever. More importantly, important opportunities exist TODAY using wellhead gas, biogas and other non-pipeline fuel sources.

Of course, other barriers have to be overcome. It is almost universally agreed that the biggest one outside of spark spread is utility resistance, generally expressed by onerous requirements to interconnect to the grid. Efforts are afoot nationwide to standardize interconnection, but no statewide efforts are currently underway in the Intermountain region, and a few of the utilities in this region are notoriously difficult to deal with on this subject. This will have to be addressed.

The goal, therefore, is to prepare the way for the day when the spark spread is where we need it to be, and to take advantage of the opportunities that exist today. The time is now to begin these efforts to create a receptive business and regulatory atmosphere for the adoption of CHP.

So I urge all of you in the industry to get involved. I'll be passing along notices with opportunities to help out.

To learn more about the Intermountain CHP Initiative and Regional Application Center, go to www.intermountainchp.org.