

## **Energy Cost Savings Program Benefits for Distributed Generation**

(Effective July 1, 2003)

Businesses that have their own electric generator may receive a discount for many utility charges associated with operating a distributed generator. In addition, generators that meet a “Clean Cogen” standard (0.3 lbs. NO<sub>x</sub> per MWh, where useful thermal products, like steam and hot water, are also counted as MWh produced) may be eligible for “Cogen Credits” of 4.44¢ for each kilowatt-hour generated. Benefits vary depending on generator efficiency and emission levels.

### **Co-Generation Discounts:**

#### **A. Generators that meet the “Clean Cogen” standard**

- For the first 13,140,000 kilowatt-hours of electricity generated annually, program beneficiaries will receive a credit on their natural gas bill from their utility equal to 4.44¢ per kilowatt-hour. These benefits are known as Cogen Credits”.
- For electricity produced in excess of 13,140,000 kilowatt-hours annually, a 35% rebate will apply to natural gas transportation charges to the extent that gas is used to produce those kilowatt-hours for up to 8 years.
- Beneficiaries will also receive a 35% discount on their gas transportation charges for gas used to produce useful thermal products (e.g., steam, hot water, chilled water etc.) for up to 8 years.
- No monthly benefit may exceed that month’s gas bill from its utility for the beneficiary (including commodity charges).

#### **B. Generators that DO NOT meet the the “Clean Cogen” standard**

- Beneficiaries will receive a 35% discount on their gas transportation charges for natural gas, excluding transportation charges for gas used for space heating and other ineligible uses.

- No monthly benefit may exceed that month's gas transportation bill for the beneficiary (excluding commodity).

### **Electric Standby Rate Discounts:**

- All cogenerators will remain eligible to receive a 45% ECSP rebate on electric transportation charges, including standby/back-up service charges, purchased from the utility to supplement or replace electricity provided by the cogeneration unit.

### **Gas Transportation Rate Discounts:**

- All cogenerators will remain eligible to receive a 35% ECSP rebate on natural gas used for eligible purposes (i.e., excluding space heating) other than cogeneration.
- No monthly benefit may exceed that month's gas transportation bill for the beneficiary (excluding commodity).

### **Other Program Notes:**

- Beneficiaries may not receive more than \$10,000 in combined benefits per employee annually, if they applied after 6/30/2003.
- After 8 years, all benefit levels are reduced one-fifth each year, so that they will have fully phased-out after the twelfth year.