

Encouraging Combined Heat & Power and Distributed Generation

Indiana's Experience

What was done in the past

- NOx SIP Call
 - New CHP EGUs (60% rated energy efficiency)
 - Allocations based on 0.15 lb/mmBtu rather than the permitted emission rate
 - One CHP EGU permitted at 0.012 lb/mmBtu
 - Did not include similar language for possible nonEGU CHP units
 - EE/RE set-aside
 - Category included for CHP/DG
 - Allocations based on electrical generation/thermal output

What is ahead

- CAIR
 - New EGUs
 - Using EPA/STAPPA models as starting point
 - Proposed using fuel neutral approach
 - Altered conversion factors
 - Adverse comments received concerning fuel neutral approach, but not conversions

What is ahead (continued)

- CAIR

- Proposed to continue summer EE/RE set-aside with CHP/DG provisions
- Proposed to include an EE/RE set-aside in the NO_x annual program with CHP/DG provisions
- Proposed to sell unallocated allowances for grant program to fund smaller projects not meeting the one ton of NO_x threshold

Lessons Learned

- Must actively market the program
- Be sure to get as many agency partners on board as possible
- Proposals to sell allowances to fund grant programs may involve many hurdles
- Other state policies/regulations may be obstacles to encourage CHP/DG

More Information

Roger Letterman

Office of Air Quality, IDEM

100 N. Senate Ave., IGCN 1003

Indianapolis, IN 46204

317/232-8342

rletterm@idem.in.gov