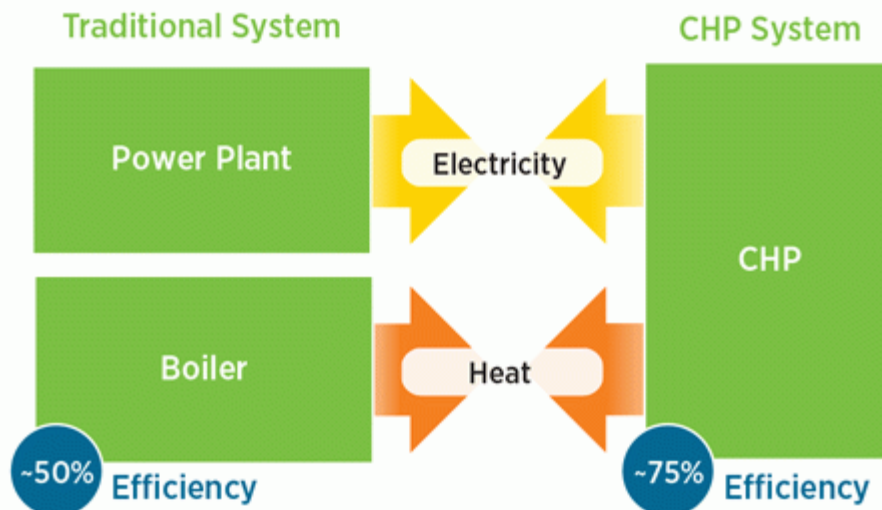


Combined, Heat, and Power

[Combined heat and power \(CHP\)](#)—sometimes referred to as cogeneration—provides a cost-effective, distributed generation option near the point of consumption of energy. CHP is an efficient and clean approach to generating on-site electric power and useful thermal energy from a single fuel source.

It is reasonable to expect CHP applications to operate at 65-75% efficiency, a large improvement over the national average of ~50% for these services when separately provided.



The U.S. Department of Energy's [CHP Deployment Partnership](#) provides access to technical assistance, installation database, resources, and project profiles.

In Kentucky, the Kentucky Energy Office in partnership with the [Kentucky Association of Manufacturers \(KAM\)](#), the [Kentucky Pollution Prevention Center \(KPPC\)](#) and the Southeast CHP Technical Assistance Partnership (SE CHP TAP), began an extensive stakeholder process in 2013 relating to CHP deployment. The Kentucky CHP Action Plan can be found under News and Publications at energy.ky.gov.

Technical Assistance

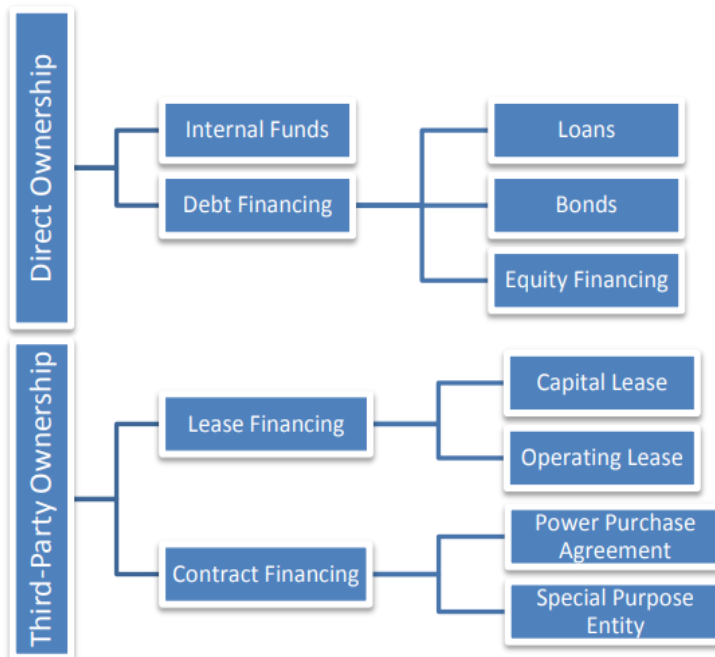
The U.S. Department of Energy's [CHP Technical Assistance Partnerships \(CHP TAPs\)](#) are available to answer your CHP questions.

Financing

Combined Heat and Power (CHP) Financing Primer

Energy Project Assessment Districts :

EPAD Kentucky is a new financing option available to commercial, industrial, non-governmental organizations, and multi-family building owners across the Commonwealth. EPAD Kentucky is the implementation of a new state law adopted in 2015 (KRS 65.205) that allows a property owner to finance energy and water saving improvements with a voluntary special tax assessment on the property.



USDA Rural Energy for America Program: USDA REAP: Provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements.

Energy Savings Performance Contract (ESPC) A contract involving an energy services company (ESCO) who guarantees energy savings for the life of the contract. The ESCO may also take care of the installation, operations, and maintenance of the equipment.

Leasing There are multiple varieties of CHP leasing with various benefits, or obligations, but some common characteristics are that the lease appears on the balance sheet as a debt, may require transfer of ownership at lease end, length is typically 75% of projected equipment life, net present value of lease payments may be 90% of the equipment value.

Incentives

[Database of State Incentives for Renewables & Efficiency](#)