Financing Your Project

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Financial Considerations

- Gas
  - Electricity
  - heat
- Digestate
- Renewable Electricity Credits
- Waste disposal fees
- Operating and maintenance
Renewable Electricity Credits

- Represents the environmental attributes of a megawatt hour of renewable electricity

Voluntary market
- Utility green power programs
- Carbon credit/offsetting

Compliance market
- States with renewable electricity mandates
- Kentucky can sell into Ohio
- Generators can manage their own sales or work with a broker.
Electricity Options

- Consumed behind the meter
  - Reduces electricity cost
  - Reduces demand charges

- Net metered with the utility
  - 30 kilowatt maximum
  - Meter will spin backwards when you are feeding the grid

- Sold to the utility
  - Qualifying Facility
  - Utility must purchase the electricity
  - Pays the avoided cost rate
  - Generator keeps RECs
Electricity Options

- Sold to a nonutility
  - Common arrangement in other states
  - Model not yet fully explored in Kentucky
  - RECs may or may not convey

- Sold to the Tennessee Valley Authority
  - Standard offer for renewable electricity
  - Program varies depending on capacity
  - RECs convey
  - Applicable to projects in the TVA service area
TVA Renewable Electricity Offers

- **Generation Partners**
  - Applicable for systems less than 200 kilowatts
  - Currently will pay retail electric rate + any fuel adjustment cost + 3 cents
  - [www.tva.gov/greenpowerswitch/partners/index.htm](http://www.tva.gov/greenpowerswitch/partners/index.htm)

- **Standard Offer**
  - Applicable for Systems 200 kilowatts or over
  - Base Prices ranges from 3.793 ¢/kwh to 15.966 ¢/kwh
  - Average is 5.611 ¢/kwh
  - [www.tva.gov/renewablestandardoffer/index.htm](http://www.tva.gov/renewablestandardoffer/index.htm)
Incentives and Grants

- Rural Energy for America Program
- Appalachian Regional Commission
  - Renewable Energy and Energy Efficiency Grant

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Questions?

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