

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

■ 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

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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