



PA AEPS Combined Heat & Power Overview (CHP)



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InClima, Inc. is the Third-Party Program Administrator for the Pennsylvania Alternative Energy Portfolio Standards Program

PA AEPS Program Overview

The Pennsylvania Alternative Energy Portfolio Standards Program (AEPS) requires utility companies and retail suppliers to purchase a percentage of alternative energy resources to meet annual AEPS compliance.

The utilities and suppliers meet their AEPS percentage requirements by purchasing alternative energy credits (AECs) from qualified alternative energy systems.

1 AEC = 1 MWh = 1,000 kWhrs Generation or Savings

Categories of AECs and eligible technologies:

Solar:

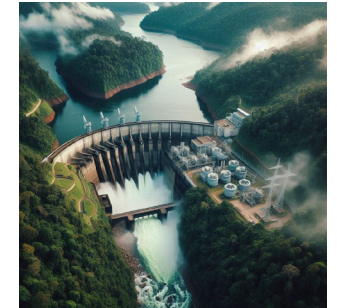
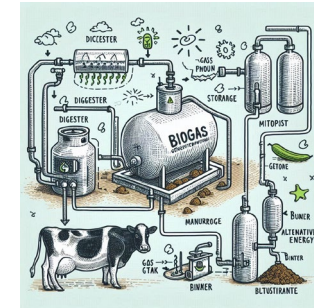
- PA Sited Solar Facilities

Tier I:

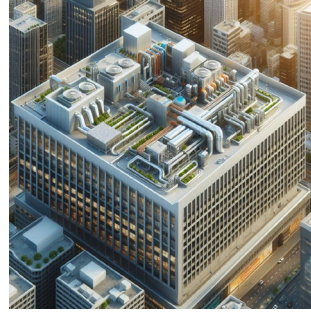
- PJM Sited Biogas, Wind, Non-PA Sited Solar

Tier II:

- PA Sited Waste Coal, Municipal Solid Waste, Combined Heat & Power



PA AEPS Combined Heat & Power Overview



- Combined heat and power (CHP) is the sequential production of electricity and useful thermal energy from a single source fuel.

- Types of CHP generators:

Gas Internal Combustion Engine

Gas Combustion Turbine

Microturbine

- Fuel types:

Natural Gas

Biogas

Landfill Gas

- Useful thermal energy is created from the production of electricity which would otherwise be wasted if not used for other nonelectric generation, beneficial purposes such as:

Hot Water

Heating

Cooling

Other industrial processes

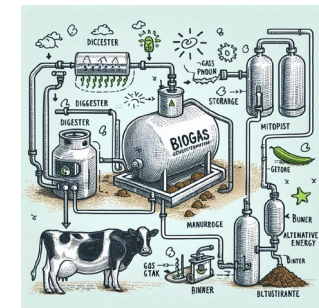
PA AEPS Combined Heat & Power Requirements

CHPs can qualify for Tier II AECs in the PA AEPS under the distributed generation designation (DGN). The PA AEPS does not limit the number of years a CHP can participate. To qualify in the AEPS, CHPs will need to meet the following requirements:

- Located in Pennsylvania
- Total capacity less than 5 MW
- Interconnection to local utility (if not interconnected, the generator may still qualify under demand-side-management)
- Production meter to record generation
- Currently, the PA AEPS does not have a system efficiency requirement

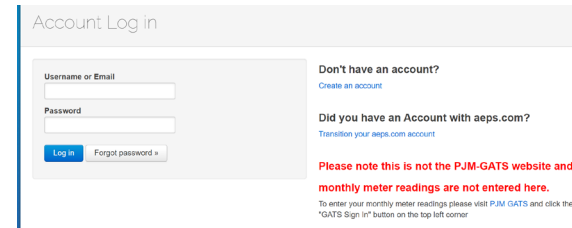
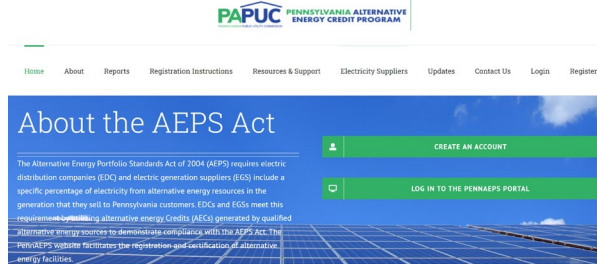
Supporting documents and information to provide with a CHP application:

- Certificate of completion from interconnecting utility
- Air quality permit or exemption letter
- Photo of production meter
- Use of useful thermal energy
- Fuel source



How to Register Your System in PA AEPS

1. Create an account in the PA AEPS Portal at www.pennaeps.com and log-in.



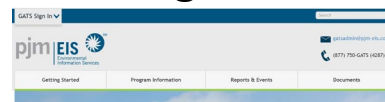
2. Complete and Submit Application

- Property owner and system owner contact
- Location
- Date project was completed
- NPC Capacity
- Supporting documents

3. Program Administrator reviews applications and follows up with requests for additional information or issues a state certification number with a generation schedule

PA Cert Number	PA-4040916-EE-II
PA Cert Date	2023-12-16

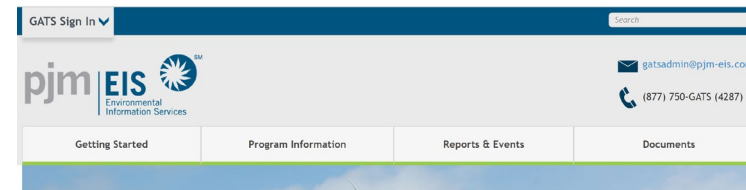
4. Applicant creates an account and registers the certification in PJM GATS.



PJM GATS CHP Entry Process

- 1000 kWhrs = 1 MWh =
1 Tier II Alternative Energy Credit

1. Create an account on PJM-GATS at <https://www.pjm-eis.com/> or enlist an aggregator to manage your PJM-GATS account
2. Enter monthly generation into PJM-GATS monthly, quarterly
3. Credits are created and eligible to be sold and transferred



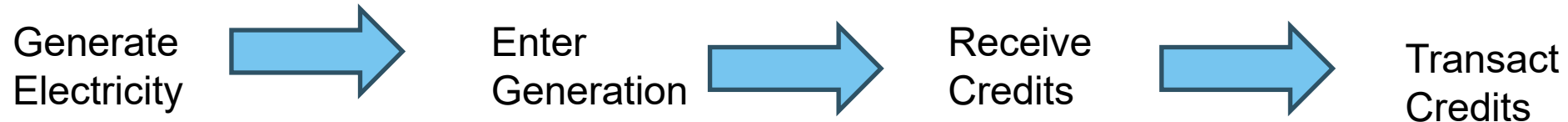
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Jan	Feb	Mar
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Transacting Credits



- 1000 kWhrs = 1 MWh = 1 Tier II Alternative Energy Credit
- Energy 2024 Tier II credit prices ranged from \$.01-\$40.00 and averaged \$26.68
 - Tier II spot market credit prices currently \$38-\$42
- Alternative Energy Credits are eligible for 3 years from the generation date
- Generators are responsible to find a buyer for the credits or to enlist the services of a broker or aggregator to manage the credits (Aggregator/Broker list can be provided)



Questions



PA AEPS Program Administrator

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