

# ***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

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- 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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