

An Update on Energy Project Incentives

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Agenda

- ✓ **Relevant incentives for district energy technology and projects**
- ✓ **Application tips and resources**



Incentives

Opportunities and Tips

The Challenge

Even if a distributed energy or district energy project looks promising...

- Positive life cycle cost
- Reduces GHG emissions and demonstrates environmental leadership
- Supports job creation and market development
- Achieves emissions compliance
- Hedges against financial risks of aging infrastructure
- Increases electric and thermal reliability and resiliency

...How do you justify the capital outlay?

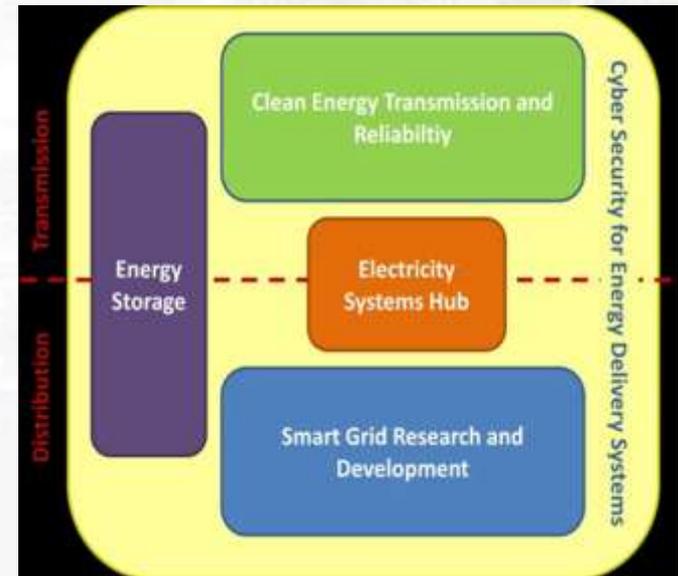
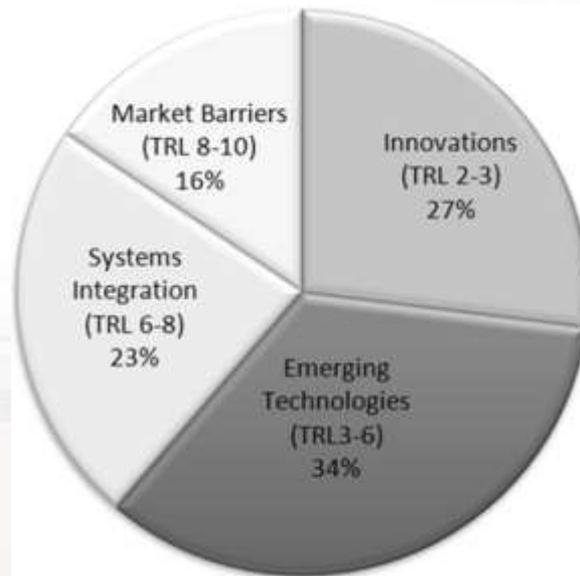
Federal Incentives

- Federal funding sources
 - DOE, EPA, USDA, DHS, DOD, National Laboratories all have programs to support a wide variety of energy technologies and projects - R&D / Demo / Commercial
- Grants, cost-share agreements and cooperative agreements
 - **up to 100%** for analysis, modeling and testing
 - **up to 80%** for R&D
 - **up to 50%** for demonstration and commercial deployment
- Level of government oversight
- Loan guarantees

Federal Incentives – DOE Funding Outlook

- **DOE FY15 budget** for clean energy programs - \$2+ billion
- **No significant increases** over 2014 funding
- **DOE FY16 budget request** for clean energy programs - \$3+ billion

- EERE
- OE
- FEMP
- ARPA-E



Federal Incentives – DOE Applied R&D Programs

Programs supporting energy efficiency and renewable energy technologies:

- Biomass: eere.energy.gov/biomass/
- Buildings: eere.energy.gov/buildings/
- Federal Energy Management: eere.energy.gov/femp/
- Geothermal: eere.energy.gov/geothermal/
- Fuel Cells: eere.energy.gov/hydrogenandfuelcells/
- Advanced Manufacturing: eere.energy.gov/manufacturing/
- Solar: eere.energy.gov/solar/
- Vehicles eere.energy.gov/vehiclesandfuels/
- Weatherization: eere.energy.gov/wip/
- Wind: eere.energy.gov/wind/
- Water Power: eere.energy.gov/water/

Federal Incentives - Opportunities

- **BENEFIT**
 - 2014: \$14M in grants for building energy efficiency projects.
- **ARPA-E Open FOA**
 - 2015 FOA offering \$125M in grants.
- **SUNSHOT Technology to Market**
 - 2015 FOA offering \$45M in grants.
- **FEMP AFFECT**
 - 2014: \$5M in grants awarded. 2015 FOA issued in March.
- **NETL Resilient Electricity Delivery Infrastructure (REDI)**
 - 2014/2015: \$3.5M in grants for local governments.
- **Loan Guarantee Program**
 - Updated 2014. \$2.8B available. Challenging for smaller projects (<\$50M).
- **Tax Credits**
 - 10% ITC for CHP / 30% ITC for renewables. Dec 2016 Sunset dates looming.

Other Federal Incentive Opportunities

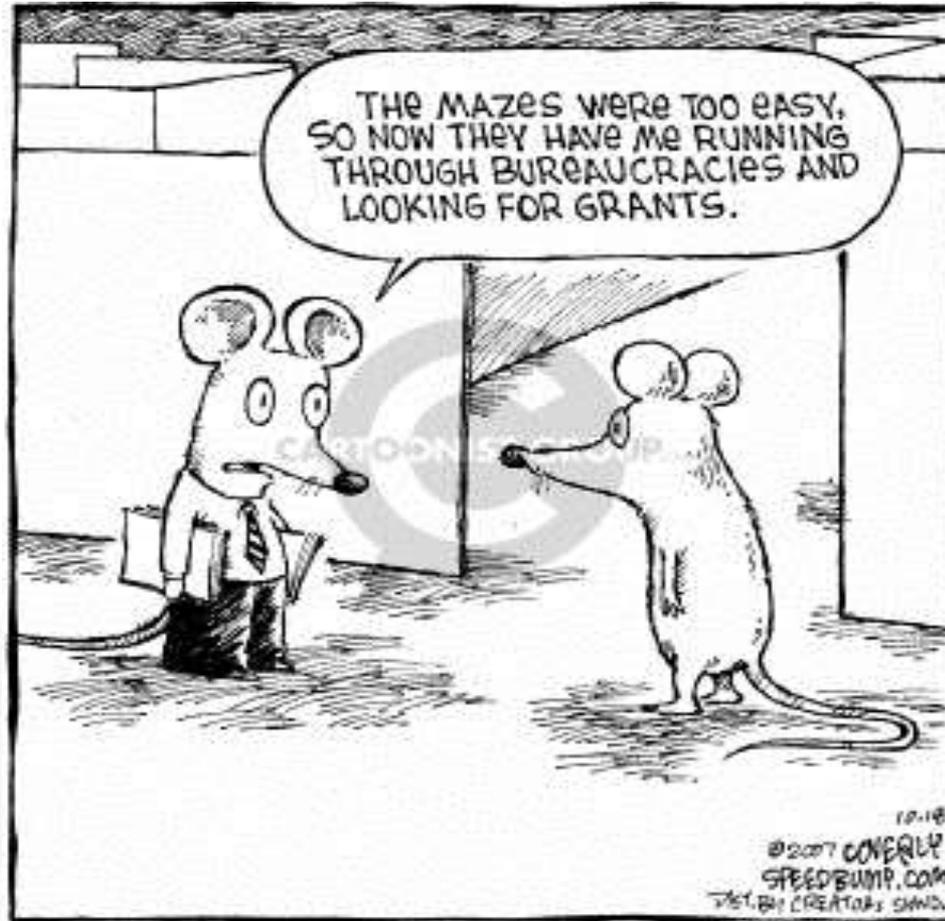
- **Other DOE Sources** – ARPA-E, National Labs, Clean Energy RACs, Industrial Assessment Centers, Federal Utility Partnership Working Group
- **USDA** – BRDI / AFRI
- **FAA** – GSE / Terminal Ops Efficiency
- **DOD** – ESTCP, DARPA, Onsite and Utility Scale Renewables, Biofuels, EUL/UESC/ESPC
- **EPA** – Recognition / Tech Support, brownfields, EPA-CHP Partnership
- **DHS / FEMA** – Cybersecurity, Hazard/Flood Mitigation
- **Commerce** – Economic Development



State and Local Incentives

- State Energy Programs
 - NYSERDA: Ongoing program to fund CHP and other energy efficiency projects
 - MA DOER: \$40M in grants awarded for energy resiliency projects in 2014
 - CA PUC: Ongoing Self Generation Incentive Program (SGIP) grants
- Utility Incentives
 - On the rise – alternative portfolio standards, customer demand
 - Stability and cost avoidance
 - Prescriptive and custom project incentives
- “Green Bank” Initiatives
 - CA, CT, HI, MA, NY
 - Varied capitalization - Bonding, loans, grants, credit support.
 - Accelerate the pace of private investment

Application Tips



Application Tips

Create visibility with agency career program management staff prior to issuance of a grant opportunity.

- Develop 2-3 page white papers
- Hold meetings with career staff
- Develop appropriate partnerships
 - End users
 - Technology partners
 - Legislative support
 - Industry support
- Pursue precursor technical and financial assistance at a smaller-scale
 - Analytic grants
 - Technical support
 - Competitive solicitations
 - Unsolicited proposals

The key elements of successful applications:

- **Take the long view**
- **Technology**
- **Team**
- **Timing**

Resources

- Database of State Incentives for Renewables and Efficiency
 - DSIRE.org
- EERE Energy Efficiency Exchange
 - eere-exchange.energy.gov
- EPA-CHP Policies and Incentives Database
 - epa.gov/chp/policies/database
- DOE Technical Assistance Partnerships
 - energy.gov/eere/amo/chp-technical-assistance-partnerships
- State Energy Office websites
- Utility websites

Questions?

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