

## CHP Cost Effectiveness Guidelines

Although CHP incentive eligibility is highly project-specific, the general criteria to meet the Efficiency Maine cost effectiveness guidelines for CHP projects are as follows:

- A continuous, 24- hour/day electric demand that exceeds the nameplate electric output rating of the CHP unit.
- Serviceable thermal loads and/or thermal storage capacity that allows for utilization of nearly 100% of the thermal output available from the CHP installation on a continuous basis.
  - Serviceable thermal load is typically represented by hot water used for process, domestic, or HVAC applications.
- Overall seasonal operating efficiency of 60% or higher.
  - Seasonal operating efficiency is defined as:  
$$\frac{\text{Total Electric Output} + \text{Total Thermal Output Utilized}}{\text{Total Fuel Input}}$$
with all inputs and outputs expressed in units of BTUs.
- Total installed cost of \$4,000/kW of installed capacity or less.
  - Total cost includes all equipment, labor, and materials required for interconnection with your facility including protective relays required by the electric utility.
  - Installations where the utilization rate of the asset is less than 100% as described above can qualify, but the Total installed cost per kW must be less than \$4,000 by the same proportion. For example, the maximum supportable cost for an installation with an 80% asset utilization rate is \$3,200/kW.

These general guidelines are intended to assist applicants in determining if potential small scale CHP installations might qualify for an incentive. If you are exploring a CHP installation that meets the above criteria, contact Efficiency Maine for more information.