

Glossary – dCHPP (CHP Policies and incentives database)

All dCHPP entries are reviewed and updated once annually. Each entry has a “Date Last Updated” field which indicates when the entry was last reviewed.

Policy/Incentive Type	Description
Bond	State bonds that support CHP projects or activities (either specifically or where eligibility includes CHP).
Commercial PACE	Commercial property assessed clean energy (PACE) programs allow building owners to receive financing for eligible energy saving measures (which can include CHP), repaid as a property tax assessment. Entries include only those programs that include CHP as eligible.
Electric Utility Rate	Favorable treatment for customers with on-site power generation including CHP. Measures can include a reduction or exemption from standby rates and/or exit fees, supportive demand charge tariffs, the option to buy backup power at reasonable prices, and guidelines for dispute resolution processes.
Energy Regulation and Policy	Federal and state energy regulations and policies supportive of CHP including federal and state laws, executive orders, and FERC orders.
Environmental Regulation	Federal and state regulations supportive of CHP such as output-based regulations, special permitting procedures for CHP, and regional initiatives.
Feed-in Tariff	Payments to distributed generators for electricity exported to the grid. Policies are included if they are specifically designed to encourage CHP, or if CHP is one of several eligible technologies as part of a broader program.
Gas Utility Rate	Rates offered by natural gas utilities with discounts for customers using natural gas for distributed generation.
Grant/Rebate	Payments to support CHP projects or activities. Payments may be made in advance, or after installation, depending on the program.
Interconnection Standard	State or FERC regulations governing utility policies for interconnection of distributed generation to the grid. Transparent and uniform technical standards, procedures, and agreements established for all system sizes can reduce uncertainty and prevent delays that distributed generators such as CHP can encounter when obtaining approval for electric grid connection.
Loan	State or federal loans that support CHP projects or activities.
Net-Metering Policy	State policies on how utilities compensate customers for excess electricity generated by customer-sited distributed generators such as CHP. Key criteria commonly addressed are system capacity limits, eligible system and customer types, and treatment of excess generation.
Portfolio Standard	State regulations that require utilities to obtain a certain amount of the electricity they sell from specified sources and/or achieve specified reductions in electricity consumption. Entries include only those standards that specifically include CHP (e.g., fossil-fueled CHP, waste heat to power, or where renewable fuels for CHP such as biomass, biogas, and landfill gas are eligible).
Production Incentive	Payments that support generators based on kWh produced. Policies are included if they are specifically designed to encourage CHP, or if CHP is one of several eligible technologies as part of a broader program.
Public Benefits Fund	Public benefits funds are pools of resources typically created by levying a charge on customers' electricity bills and used by states to support energy efficiency and renewable energy. Entries include those state programs where CHP systems appear to be eligible based on the objectives of the fund. Funding for CHP projects provided by these resources would be found under related dCHPP incentive types (e.g., loan, grant, or rebate).

State Climate Change Plan	This section includes state climate change action plans that include measures to support CHP. A climate change action plan lays out a strategy, including specific policy recommendations, that a state or local government will use to address climate change and reduce greenhouse gas emissions.
State Energy Plan	Entries include state energy plans that include CHP as a recommendation to achieve the goals, objectives and criteria laid out in the plans. NASEO provides an inventory of all available state energy plans (http://www.naseo.org/stateenergyplans).
Tax	State or federal tax credits or favorable tax treatment that supports CHP projects or activities. Policies are included if they are specifically designed to encourage CHP, or if CHP is one of several eligible technologies as part of a broader program.