

Renewable Energy Incentive Program for Commercial and Industrial Bulk Fuel-Fed Wood-Pellet Central Heating Systems

Background: In 2010, the Office of Energy and Planning and the Commission worked jointly to develop the first-in-the-nation residential bulk-fuel fed wood-pellet boiler/furnace rebate program with a \$500,000 allocation of American Recovery and Reinvestment Act funds¹. Studies have shown that in order to transition from oil heating to a local, renewable resource, consumers require the comparable convenience currently available through oil heating. Wood pellets can provide comparable convenience, but the delivery market is still in the early adoption stage of product development. Consumers need the assurance that wood-pellet delivery will be available and reliable and the delivery market needs customers to make delivery feasible.

The developing wood-pellet delivery industry made a commitment to service the state if the Commission required systems to include a minimum of three-ton storage capable of home delivery. The residential program has provided 103 rebates to date and currently has funds reserved for an additional 26 homeowners. Expanding on the residential wood-pellet boiler program, the Commission has asked Staff to develop a Commercial & Industrial² bulk fuel fed wood-pellet central heating system rebate program.³ The Commission has budgeted \$629,140 (in state fiscal year 2014) to support this program.

Goal: To support the expansion of renewable thermal energy and the wood-pellet industry through a non-residential rebate program that strengthens the market for bulk delivery of wood pellets in New Hampshire.

¹ \$450,000 was set aside for rebates; \$50,000 was made available for administration.

² Available to non-residential consumers including but not limited to commercial and industrial customers such as municipalities, owners of multi-family residential buildings, businesses, non-profits, and colleges and universities.

³ Pursuant to RSA 362-F:10, VIII, the Commission may establish "additional incentive or rebate programs and competitive grant opportunities for renewable thermal and electric energy projects sited in New Hampshire" to be supported by the Renewable Energy Fund (REF).

Renewable Energy Incentive Program for Commercial and Industrial Bulk Fuel-Fed Wood-Pellet Central Heating Systems

EESE Board Discussion

**November 08, 2013, Public Utilities Commission,
21 South Fruit Street, Suite 10, Concord, NH 03301**

Questions discussed at the Technical Session, October 30, 2013

1. How do we optimize the C&I bulk-fuel fed wood-pellet central-heating system rebate program's benefit to the state?
2. Should there be a minimum and maximum BTU size requirement for C&I systems that would be eligible?
 - a. Should the system be based on BTU installed capacity or anticipated performance?
3. Should the Commission require applicants to have completed energy efficiency upgrades or audits before applying for the rebate?
4. Should we develop a tiered system to ensure a wide level of participation?
5. What is the optimal rebate amount to incentivize participants?
6. Is it permissible to stack the rebate and other incentives?
 - a. Should there be a cap on total incentives?
7. Should there be a limit on the number of rebates that will be accepted from a single applicant or installer?
8. How do we maximize the longevity of the systems installed?
 - a. Should we require warranties and how long should they be?
9. Should we require thermal storage, and, if so, what do we require for the size of the thermal storage tank in relation to the size of the system?
10. Should heat-load calculations be required as part of the application?