



# Ohio Biomass Energy Program

Spring 2007

Promoting the development of renewable energy resources in Ohio, including wood and agricultural residues; ethanol and biodiesel biofuels; landfill gas to energy; and energy crops.

## PUCO adopts recommendations regarding the Federal Energy Policy Act of 2005

On March 28, 2007 the Public Utilities Commission of Ohio (PUCO) approved recommendations about Ohio's interest in the Federal Energy Policy Act of 2005 (EPAAct). The recommendations relate to an investigation opened in December 2005 that focused on issues including net metering, advanced metering infrastructure and demand response, interconnection, stand-by rates and advanced energy portfolio standards. The recommendations approved by the PUCO include, but are not limited to, the following issues.

### Net Metering

Net metering is a utility-customer arrangement which allows electric utility customers who generate their own electricity to receive a credit on their bill for any excess self-generated electricity that flows back into the utility's distribution system.

The PUCO recommends expanding the technologies allowed for net metering and revising the rules regarding customer credits for interconnection.

### Advanced Metering Infrastructure and Demand Response

Demand response, which allows customers to adjust their electricity usage in response to price, involves "smart" metering technology that records usage on a time differentiated basis and a rate structure that allows customers to respond to time sensitive price signals.

The PUCO has ordered Ohio's electric distribution utilities to file reports which address the impacts of distributed generation on their transmission and distribution systems. The companies must also file copies of their tariffs which include daily time sensitive rates and a comprehensive list of Advanced Metering Infrastructure (AMI) technologies and costs.

### Distributed Electric Generation Interconnection to Utility Grid

Distributed generation refers to small, decentralized power generating technologies which are typically located near the facilities using the electricity, and can be either off-grid or have an interconnection to the electrical grid.

The PUCO recommends that the interconnection rules be revised to ensure a standardized process in Ohio and a multi-state region for interconnection service customers. It also recommends that the review process be based on the level of customer-owned distributed generation. The PUCO has directed staff to develop a checklist and standard application for interconnection.

### Stand-By Rates

Stand-by rates are charges to a distributed generator for stand-by to serve the customer when the distributed equipment is not operating. Stand-by customers will now have options available for this service

The PUCO also recommends that a workshop be held to discuss the issue of statewide pooling of stand-by power.

### Advanced Energy Portfolio Standard

Energy portfolio standards, which operate in a variety of forms in numerous other states, require utilities to supply a certain percentage of electricity from specified renewable or advanced energy

*(continued on page 2)*

## In This Issue:

- ◆ Toledo advances with new biogas generation facility
- ◆ Applications being accepted for Ohio Wind Production & Manufacturing Incentive Program
- ◆ Gov. Strickland announces investment in energy economy
- ◆ USDA's 2007 Grant and Loan Programs for Renewable Energy and Energy Efficiency
- ◆ Six cellulosic ethanol plants selected to receive federal funding
- ◆ Gov. Strickland highlights energy initiatives in State of the State
- ◆ Save the Date: Upcoming Biomass Events

### The Ohio Biomass Energy Program

The Public Utilities Commission of Ohio

180 East Broad Street  
Columbus, Ohio 43215-3793  
(800) 686-PUCO (7826)  
[www.PUCO.ohio.gov](http://www.PUCO.ohio.gov)

**Governor:** Ted Strickland

**Chairman:** Alan R. Schriber

**Commissioners:** Ronda Hartman Fergus,  
Judy A. Jones, Valerie A. Lemmie,  
Donald L. Mason

**Contact:** Anne Goodge, Program Director  
(614) 466-2871

[anne.goodge@puc.state.oh.us](mailto:anne.goodge@puc.state.oh.us)

technologies. Utilities may meet these requirements through actual generation or by purchasing credits.

Recommendations for a portfolio standard include conducting a voluntary stakeholder process to evaluate an advanced energy portfolio standard and green pricing program for Ohio.

Some of the recommendations adopted will be accomplished under the PUCO's jurisdiction through rule changes of the Ohio Administrative Code. For more information about the investigation or the adopted recommendations, visit [www.PUCO.ohio.gov](http://www.PUCO.ohio.gov). Click on the Docketing Information System and enter case number 05-1500-EL-COI. ♦

## Toledo advances with new biogas generation facility

In December 2006, the Ohio Environmental Protection Agency (Ohio EPA) and the Ohio Water Development Authority approved a \$26.7 million low-interest loan from the Ohio Water Pollution Control Loan Fund to the city of Toledo to install a combined-cycle cogeneration power plant using waste bioenergy resources at the Bay View Water Reclamation Facility. The fund is a state revolving loan program authorized by the Clean Water Act to make low-interest loans to qualifying water quality improvement projects in Ohio.

The Bay View Water Reclamation Facility is the largest wastewater treatment plant in northwest Ohio. The plant consumes approximately 3.25 MW of power each day to run its pumping and biological treatment processes, and peak power consumption during wet weather is about 5.5 MW per day. A wet-weather facility is also being added that will raise the daily peak power load to 9 MW.

The cogeneration plant will be fueled primarily by Bay View's solid waste digester gas as well as landfill gas from the Hoffman Road landfill. According to the Ohio EPA, Toledo's decision to install its own power system rather than rely solely on utility service was driven by concerns about power outages, rising energy costs and controlling sewer rates. Toledo anticipates that this waste-to-energy project will reduce the operating cost by at least \$2 million per year once the wet weather facility is operational. Construction for the project is expected to begin in April 2007 and be completed by early 2009.

For additional information about the project, contact Michael Schreidah, Project Manager, (419) 727-2607, or Frank (Chris) Middlebrough, Commissioner, Water Reclamation, (419) 727-2618. For additional information about the Water Pollution Control Loan Fund, please visit [www.epa.state.oh.us/defa](http://www.epa.state.oh.us/defa) or contact Greg Smith, Chief, Division of Environmental & Financial Assistance, at (614) 644-2798. ♦

**The city of Toledo will use a \$26.7 million loan from the Ohio Water Pollution Control Loan Fund to install a combined-cycle cogeneration power plant using waste bioenergy resources.**



## Applications being accepted for Ohio Wind Production & Manufacturing Incentive Program

The Ohio Department of Development (ODOD) is accepting applications for the funding of wind power projects through the new Ohio Wind Production & Manufacturing Incentive Program.

In February 2007, Gov. Ted Strickland and Lt. Gov. Lee Fisher announced that \$5 million in grant funding would be available through the Ohio Wind Production & Manufacturing Incentive Program. The funds were allocated in the recently passed House Bill 251, which allowed ODOD to offer the incentive through Ohio's Advanced Energy Fund, also known as the Ohio Energy Efficiency Revolving Loan Fund.

Large, utility-scale wind projects producing more than 5 megawatts (MW) of electricity and smaller wind projects producing between 500 kilowatts and 5 MW of electricity are eligible for the grant program. The production incentive will then pay a rate of 1 cent per generated kilowatt-hour once the project is approved. Projects that utilize wind turbines manufactured in Ohio will receive an additional incentive of 0.2 cents per kilowatt-hour generated.

To be considered for the program, letters of intent must be submitted to ODOD by 3 p.m. on April 16, 2007. Applications are then due to the ODOD Office of Energy Efficiency by 3 p.m. on July 16, 2007. Projects that receive grant funding must begin commercial operation by June 30, 2009.

More information about the Wind Production and Manufacturing Incentive Program is available by visiting [www.odod.state.oh.us/cdd/oe](http://www.odod.state.oh.us/cdd/oe). ♦

## Gov. Strickland announces investment in energy economy

On March 29, Gov. Ted Strickland announced the selection of a Tuscarawas County site for a \$2.3 million project to measure Ohio's capacity for deep well storage of carbon dioxide emissions. Known as carbon dioxide sequestration, this method is the first step towards making clean coal technologies a reality in Ohio.

All data from the testing will be available to the public on the Ohio Department of Natural Resources Web site and through reports to be published by the Division of Geological Survey. For more information about the announcement, visit [www.governor.ohio.gov](http://www.governor.ohio.gov). ♦

## USDA's 2007 Grant and Loan Programs for Renewable Energy and Energy Efficiency

On March 21, 2007 the U.S. Department of Agriculture (USDA) announced several funding opportunities for rural small businesses and agricultural producers to install renewable energy systems or energy efficiency improvements.

The Renewable Energy Systems and Energy Efficiency Improvement Grant Program and Loan Guarantee Program will award \$11.4 million in grants and \$176.5 million in guaranteed loans nationwide. A variety of renewable energy projects are eligible to receive grant funding, including solar, wind geothermal heat pumps, on farm anaerobic digester projects, wood pellet manufacturing, ethanol and biodiesel production. Eligible energy efficiency projects would be replacing or improving the efficiency of existing grain dryers, lighting, heating and cooling equipment, or freezers and coolers.

There will be \$11.4 million available for grants and \$176.5 million available in guaranteed loans. Applicants must be an agricultural producer or rural small business, and projects must be in a qualifying rural area. Awards for renewable energy systems will be between \$2,500 and \$500,000, energy efficiency improvements will be between \$1,500 and \$250,000. Grants will not exceed 25 percent of the total eligible project costs.

Grant applications are due to the USDA Rural Development Office in Columbus by May 18, 2007. Applicants may apply for either the loan or grant, yet priority consideration is given to loans or combined grant and guaranteed loan requests which are awarded on a continuous basis. For loan guarantees, the fee amount is 1 percent of the guarantee portion of the loan and the annual renewal fee is 0.125 percent. The final deadline for loan guarantee applications is July 2, 2007. Contact Randy Monhemius in the Columbus Rural Development office at (614) 255-2424 or [randy.monhemius@oh.usda.gov](mailto:randy.monhemius@oh.usda.gov) for more information about project development and the application process.

Another upcoming USDA program is the Value Added Agricultural Producer Grant program, which is designed to help eligible producers of agricultural commodities develop business plans and strategies for marketing opportunities in emerging markets. Examples of energy projects could include converting corn into ethanol, soybeans to biodiesel, or using biogas digesters or wind into electricity technologies.

Matching funds equal to the amount requested are required for the program. The maximum request for a planning grant is \$100,000 and the maximum for a working capital grant is \$300,000. Eligible applicants are independent producers, farmer or rancher cooperatives, agricultural producer groups and producer-based business ventures. For additional information contact Deborah Rausch in the Columbus Rural Development office at (614) 255-2425, or visit the Ohio Rural Development Web site at [www.rurdev.usda.gov/oh/index](http://www.rurdev.usda.gov/oh/index). ♦

## Six cellulosic ethanol plants selected to receive federal funding

The U.S. Department of Energy (DOE) recently selected six ethanol plants to receive federal funding for cellulosic ethanol production. DOE Secretary Samuel W. Bodman announced that the DOE will grant up to \$385 million for the six biorefinery projects over the next four years.

The grant money was awarded as part of the Energy Policy Act of 2005 (EPAct 2005) and promotes President George W. Bush's Twenty in Ten Initiative, with the goal of reducing America's gasoline consumption by 20 percent in 10 years. The selected projects are expected to produce more than 130 million gallons of cellulosic ethanol annually once they are fully operational. The six selected projects include:

- ♦ Abengoa Bioenergy Biomass of Kansas, LLC (Chesterfield, MO): up to \$76 million
- ♦ ALICO, Inc. (LaBelle, FL): up to \$33 million
- ♦ BlueFire Ethanol, Inc. (Irvine, CA): up to \$40 million
- ♦ Broin Companies (Sioux Falls, SD): up to \$80 million
- ♦ Iogen Biorefinery Partners, LLC (Arlington, VA): up to \$80 million
- ♦ Range Fuels (Broomfield, CO): up to \$76 million

For more information about the projects or Pres. Bush's Twenty in Ten Initiative, visit [www.doe.gov](http://www.doe.gov). ♦

## Gov. Strickland highlights energy initiatives in State of the State

In his State of the State address on March 14, 2007, Gov. Ted Strickland emphasized the corresponding priorities of job creation and advanced energy technology development that will be pursued by his administration. Next-generation energy technologies such as biofuels, fuel cells, clean coal and renewable sources offer opportunities in job creation, support of farmers, reduced dependence on foreign oil producers and protection of the environment.

Gov. Strickland pledged that his administration will coordinate an investment of nearly \$1 billion in energy programs. This includes offering \$250 million per year in tax exempt bond cap allocation to leverage investments in energy projects, and broadening the Third Frontier technology program investment. The state will work to implement an array of different energy technology projects that will help develop new jobs and investments in Ohio.

The governor's plan also includes increased support for development of infrastructure to make biofuels more accessible to Ohioans. The governor's budget provides new funding for the Alternative Fuel Transportation Grant Fund, which provides grants for the purchase and installation of alternative fuel refueling or distribution facilities and terminals, adding \$1.5 million in 2008 and \$1 million in 2009. For more information about Gov. Strickland's State of the State address, visit [www.ohio.gov](http://www.ohio.gov). ♦

## Save the Date: Upcoming Biomass Events

### **Bioenergy North America 2007**

Presented by: Green Energy Resources  
April 16-17, 2007  
Chicago, IL  
[www.environmental-finance.com](http://www.environmental-finance.com)

### **Ohio Fuel Symposium**

“Fuel Cells: Tomorrow’s Power Today”  
Presented by: Ohio Fuel Cell Coalition  
May 23-24, 2007  
Columbus, OH  
[www.fuelcellsohio.org](http://www.fuelcellsohio.org)

### **SOLAR 2007 National Conference**

Presented by: American Solar Energy Society and  
Green Energy Ohio  
July 7-12, 2007  
Cleveland, OH  
[www.ases.org/solar2007](http://www.ases.org/solar2007)

### **BioCycle Conference on Renewable Energy From Organics Recycling**

Presented by: BioCycle Magazine  
Oct. 1-3, 2007  
Indianapolis, IN  
[www.jgpress.com](http://www.jgpress.com)

*The Ohio Biomass Energy Program newsletter is available electronically. If you would like to receive an electronic copy in your e-mail, send an e-mail to [listserv@lists.puc.state.oh.us](mailto:listserv@lists.puc.state.oh.us) with a blank subject line and the following in the body of the message:  
*subscribe ohiobiomass yourfirstname yourlastname.**

---

Ohio Biomass Energy Program  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, Ohio 43215-3793

ADDRESS CORRECTION REQUESTED

