Recycled Energy Service Options

Earn Xcel Energy incentives for creating electricity from waste resources when you install a new onsite recycled energy facility or add recycled energy capabilities to an existing generation facility. By participating in the Recycled Energy program, you can qualify for special stand-by rate options, plus incentives based on the size of the recycled energy facility.

What is the available capacity and incentive for participants?
Starting in 2017, Xcel Energy will offer up to 20 megawatts (MW) of preapproved recycled energy capacity annually with a maximum of 10MW generators to be installed for a single customer. The installation will require engineering review and program approval to reserve capacity. Capacity reservations will be awarded in the order in which they are received. The incentive amount of $500/kilowatt (kW) will be paid out by production (kilowatt hour or kWh) over a period of time based on the system’s expected production.

Who is eligible to participate?
Recycled energy uses waste heat to generate electricity. This renewable option helps optimize the reuse of resources that otherwise would go to waste. Recycled energy can be utilized in industrial operations with high temperature processes such as glass or aluminum furnaces, steel mills, cement kilns, or refineries. Another common application of recycled energy systems is at natural gas-fired compressors that are found throughout natural gas production operations.

What is needed to qualify for program participation?
Incentives are available only for installing new recycled energy facilities or adding recycled energy capabilities to existing facilities.

Fossil-fueled generation facilities alone are not considered recycled energy and will not qualify. Recycling waste heat coming off of these facilities and using that to create additional power could qualify.

What is the application process?
• Complete a Recycled Energy Custom Project Evaluation application prior to purchase and installation of your equipment. Upon receiving your application, we will perform an engineering review to estimate the recycled energy generation likely from your facility. This will serve as the basis for your incentive preapproval.

• Upon project completion, submit your completed application for final approval. If project scope changes during the process, additional analysis may be needed to confirm your reservation amount. Your incentive will only be available for up to the preapproved capacity. Submit a scope-change request to renewables@xcelenergy.com if your capacity changes during project implementation.
How will it work for the different standby rates?
Below are individual rates and some of the characterizations of what participants can expect:

Standby Rates – General
- Standby Rates for recycled energy customers are contained in Schedule RE.
- Recycled energy customers with generators under 500 kW in size are allowed standby service at their option.
- Recycled energy customers with generators between 500 kW and 10 MW must take standby service.
- Standby charges are assessed based on a recycled energy system’s contract standby capacity.

Standby Rates – Monthly Reservation Fee
- The Monthly Reservation Fees are as provide in the scheduled RE, per tariff sections 117C and 117D.

Standby Rates – Grace Energy and Daily Demand Charges
- Recycled energy customers are allowed 4 weeks of planned maintenance and 2 weeks of “grace energy” annually, for a total of six (6) weeks (1,008 hours) of “free” standby service before the daily demand charges apply.
- After the grace energy and scheduled maintenance periods are exhausted, Daily Demand Charges apply, as shown and described in Schedule RE, p. 117D and 117E.

Standby Rates – Excess Energy
- For recycled energy systems that generate up to 120% of the customer’s annual on-site consumption, excess energy will be purchased at a rate of 4.3 cents per kWh.
- For recycled energy systems that generate more than 120% of the customer’s annual on-site consumption, excess energy can be sold to the company through a negotiated Power Purchase Agreement (PPA), or a third-party wholesale provider.

Where can I get more information? Customers seeking additional information should contact renewables@xcelenergy.com or 800.481.4700.