# DOCKET 12-IEP-1D DATE FEB 16 20 12 RECD. FEB 17 20 12

# Combined Heat & Power: Industrial Environment

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California Energy Commission IEPR Lead Commissioner Workshop February 16, 2012

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#### Chevron and CHP

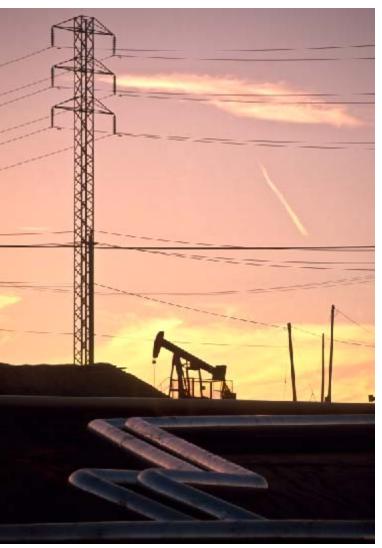


- Chevron has a long history of CHP use in California with over 50 units embedded to help power our operations.
- Chevron is one of the larger power purchasers and CHP power users in the state.



#### CHP Opportunity: Cymric Project

- One megawatt Bottoming Cycle CHP technology
- Captures waste heat to assist in Enhanced Oil Recovery
- Emerging technology pilot that brings:
  - Energy Efficiency
  - Waste Heat Recovery
  - High Reliability
  - Reduced Air Emissions
- If successful, potential to deploy throughout Chevron facilities.





### **CHP** Opportunity: Cymric Project Background

2007

2008



AB 1613 signed into law Began work on 3 MW Cymric project; Chevron submits initial Rule 21 application Notified we cannot install project behind existing POCC and maintain current PPA 2009 Chevron reassessed project and downscaled scope Utilities file rehearing request for AB 1613; file request for declaratory order, 2010 and later clarification at FERC Chevron awaiting implementation of AB1613; resubmits Rule 21 application at smaller scale and new location Rule 21 application returned by PG&E 2011 Chevron submits Wholesale Distribution Tariff application, requiring costly GE Load Flow Dynamic study. Application deemed complete in Dec. 2011 AB 1613 implemented; contracts available © 2012 Chevron

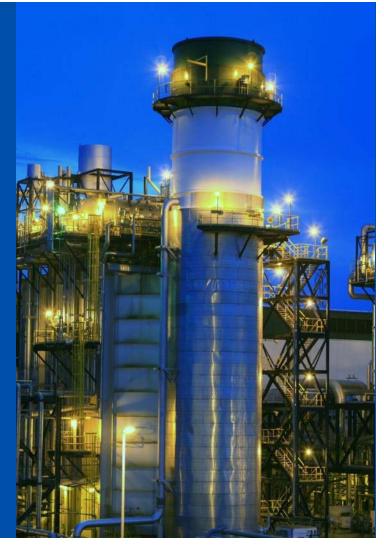
#### CHP Opportunity: *Cymric Project Challenges*

# Threat to Existing CHP

# Interconnection Process

1 MW Bottoming Cycle Project not a Wholesale Generator





#### Encouraging CHP in California



- Implementation is critical
- Path for small, non-merchant CHP applications needed
- Avoid new interconnection for incremental power
- Sunset departing load charges

