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## **NYSERDA reveals business model to expand biomass industry; Along with the Capital Region Economic Development Council**

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The Capital Region Economic Development Council and the New York State Energy Research and Development Authority (NYSERDA) unveiled that Bioenergy Project Partners, an energy services company in Saratoga Springs, is initiating renewable energy projects at three sites that use a new business model meant to spur the use of advanced wood pellet heating system technology aligning with governor Cuomo's Renewable Heat NY initiative.

Renewable Heat NY, revealed in the governor's 2014 State of the State address, will encourage the expansion of the market for advanced, high-efficiency, low-emissions wood heating technology by raising consumer awareness, supporting the development of advanced

technology heating products, developing local sustainable heating markets and encouraging the use of this renewable fuel.

The project is moving forward on the strength of \$1 million awarded by NYSERDA through the Capital Region Regional Economic Development Council.

"Bioenergy Project Partners' innovative business model will leverage private and public sector resources to accelerate the demand for high-efficiency and low-emission wood pellet heating systems," said John Rhodes, president and CEO, NYSERDA. "Through initiatives like Governor Cuomo's Renewable Heat NY, the State is creating market demand for this highly efficient technology which will stimulate job growth and economic activity in the clean energy sector."

"Initiatives that build and foster new businesses and drive private investment are critical to the future of our communities," said REDC co-chairs Robert Jones, president, University at Albany and James Barba, president & CEO, Albany Medical Center.

"Bioenergy Project Partners' business concept illustrates a pioneering approach to stimulate economic growth and emphasizes that innovation and collaboration are central to the creation of opportunities for the region."

Bioenergy Project Partners' energy performance model, also called a "heat sale," is the first of its kind for biomass heating in New York State. This innovative approach will provide host sites with a package of advanced pellet heating system boiler technology, maintenance services and pellet fuel. The sites will each purchase the heat from Bioenergy and their energy savings are guaranteed.

"BPP sees this project as an important step to accelerate the growth of the advanced high-efficiency bioenergy heating industry in New York," said David Dungate, President, Bioenergy Project Partners, LLC. "Our vision is to make implementing a bioenergy heating system easy and worry-free for our customers by providing a full suite of support services that reduce energy costs, support local economic development, and help achieve renewable energy goals. We are very grateful for the NYSERDA funding that will allow these projects to showcase state-of-the-art, made in New York renewable heating technologies.

Fossil fuel heating will be replaced with pellet boilers built by Schenectady-based Advanced Climate Technologies (ACT) at each of the three host sites: Cairo-Durham School in Greene County, Hoosick Falls Central School in Rensselaer County and Frost Valley YMCA in Sullivan County.

Together, the three sites are projected to save more than \$150,000 in annual fuel costs by switching from fossil fuels to wood pellet heat, eliminating the need for 70,000 gallons of heating oil and 40,000 gallons of propane annually.

The Bioenergy Project Partners' projects will support in-state jobs in forest harvesting, wood pellet production and delivery, as well as jobs in boiler manufacturing, installation and service.

The project, which is receiving Regional Greenhouse Gas Initiative funds from NYSERDA, is expected to create a critical cluster of commercial-scale, advanced, high-efficiency wood pellet boiler installations that will stimulate investment in the wood pellet delivery infrastructure and act as a catalyst to expand the market for high efficiency and low emissions biomass heating systems in the same way that Power Purchase Agreements (PPAs), have expanded the market for solar installations. PPAs are a financial arrangement in which a third-party developer owns, operates and maintains the solar electric system at a customer site, and the customer purchases electricity at a set price for a specified period of time. For Bioenergy Project Partners' business model, customers are purchasing heat, and Bioenergy will arrange financing, maintain and operate the equipment for the host sites.

"Our ACT Bioenergy high-efficiency wood pellet boiler technology will significantly reduce energy costs and greenhouse gas emissions at the project sites," said Larry Farrelly, President of Schenectady-based ACT Bioenergy, LLC. "This project is a great made in NY renewable energy story of local manufacturing and a unique approach to new market acceptance that can serve as a model to be replicated throughout the state."

As conventional wood boilers can waste more than half the energy of wood fuel and emit significant amounts of pollutants, NYSERDA has been working with companies like ACT to advance high-efficiency biomass heating systems. ACT's wood pellet boilers can achieve efficiencies of greater than 85 percent and have emissions levels 75% lower than conventional wood chip boilers.

Wood pellets will be manufactured at the New England Wood Pellet Plants in Schuyler, N.Y. and Deposit, N.Y.

Wood pellets are a renewable fuel source and are less expensive than heating oil per unit of

heat. Research has shown that wood pellets combusted in an advanced boiler yield the highest and most consistent performance among the biomass fuels.

"The awarding of \$1million in NYSERDA funding to Bioenergy Project Partners for the installation of advanced, high-efficiency wood pellet boiler systems that are more efficient, produce lower emissions, are built to last and provide greater bio-fuel choices is welcome news," said Senator Kathleen A. Marchione. "This funding reflects the fact that our Capital Region is home to companies on the cutting edge of research and innovation. I congratulate Bioenergy Project Partners on being a recipient of this award and for the advances they are forging in this field."

Funding from this program is made possible through the Regional Greenhouse Gas Initiative (RGGI), the first innovative market-based mechanism in the United States to cap and cost-effectively reduce the carbon dioxide emissions that cause climate change. RGGI was the world's first program to auction the emission credits (rather than give them away for free) and invest the auction proceeds in projects that conserve energy, save consumers money and support the transition to cleaner and more efficient production of energy.

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