



## **ConEd: Benefits of implementing a co-generation program**

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Financial burdens associated with commercial ownership - energy costs prominent among them - have steadily increased in recent decades.

To achieve a long-term reduction in operating costs, one proven strategy is to utilize a process called "Combined Heat and Power" (CHP), also known as co-generation. Co-generation is an integrated system of power production that harvests heat generated during the production of electricity. The process then utilizes this heat, which would have otherwise been wasted, to efficiently deliver such benefits as space heating and domestic hot water.

According to a White Paper issued recently by ConEdison Solutions, one of the country's largest energy services companies, there has never been a better time for a NYC property owner to implement a co-generation program.

The White Paper - posted on the ConEdison Solutions website - is titled "Combined Heat and Power: How Building Owners can Reap Financial, Environmental, and Resiliency Benefits with Reduced Grid Dependence."

"Co-generation is a wise investment for mid-size to large commercial property owners in NYS - but particularly in the five boroughs of NYC, where multiple parties provide financial incentives to make it not only affordable, but a smart business decision," said Richard Rathvon, VP of retail commodity services at ConEdison Solutions.

To calculate the potential savings available through co-generation, the White Paper presents a 1.2 million s/f, class A office building in Manhattan as a hypothetical example.

After investing \$3 million in up-front costs - including installation of a CHP system plus a backup generator to provide energy security and resiliency in the event of grid disruptions - the hypothetical owner would realize approximate yearly savings and revenue from demand response programs of about \$480,000. The hypothetical property would also receive up to \$1 million in incentives available through the New York Independent System Operator (NYISO), the New York State Energy Research and Development Authority (NYSERDA), and ConEdison, the regulated utility serving NYC.

Using this example, the investment quickly pays for itself. Based on conservative fuel price projections, the payback period for the investment amounts to 4.1 years, a term considered highly attractive in the world of energy investment. After that point, all energy savings would help directly lower the property's bottom-line operating costs for an indefinite period going forward and the building would have back-up generation that it didn't previously have.

Business owners implementing such a strategy are able to work with energy experts at ConEdison Solutions to devise a CHP initiative best suited for their particular commercial property.

New York State's energy infrastructure - coupled with the physical proximity of properties in New York City - contribute to the cost-effectiveness of implementing a co-generation program in this area.

Once in place, co-generation also provides the means to reduce peak demand. Energy providers are in a better position to alleviate stress on the state's grid. Moreover, decreased usage allows utilities to defer expenditures associated with grid maintenance. Reduced demand also lowers the need for system-wide expansion that might otherwise be required to serve the ever-growing peak usage levels that would be demanded by end-users.

The White Paper is available at [http://bit.ly/conedisonsolutions\\_combinedheatpower](http://bit.ly/conedisonsolutions_combinedheatpower)

#### About ConEdison Solutions

ConEdison Solutions is a leading energy services company that provides competitive electricity and natural gas supply, renewable energy, sustainability services, cost-effective energy efficiency solutions, and energy performance contracting. The company serves commercial, industrial, residential and government customers, including universities, public school districts, and hospitals nationwide. Offering innovative products, financial stability, and a commitment to customer service, the company is based in Valhalla, New York, with offices in Burlington, Massachusetts; Cherry Hill, New Jersey; Chicago, Illinois; Falls Church, Virginia; Houston, Texas; Duncanville, Texas; Tampa, Florida; Overland Park, Kansas; Nashville, Tennessee; and Bloomington, Minnesota. The firm's dedicated team of energy professionals delivers a broad range of energy solutions. ConEdison Solutions offers programs and services designed to help customers achieve their individual energy objectives and is accredited as an Energy Services Provider (ESP) by the National Association of Energy Service Companies (NAESCO).

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