Barriers to diffusion of Combined Heat and Power – A qualitative study from the United States

1 Abstract

Combined Heat and Power (CHP) is a mature technology that utilizes the waste heat from thermal electricity generation to make more efficient use of the fuel input. Many industrialized countries, particularly those in colder climates, generate a significant portion of their electricity from CHP plants, but the United States does not. Lower energy costs in the U.S. make some projects infeasible, but other non-financial barriers also stand in the way of CHP projects. In order to understand the barriers to financially-viable CHP plants in the U.S. we review the literature on CHP and interview CHP developers, regulators, and other stakeholders to better understand barriers facing CHP development. These interviews reveal four major non-financial barriers to CHP projects: the business model of the electricity customer (utility), the complexity of allocating benefits and risks, the knowledge and perceptions of individual decision-makers, and the coincidence of CHP construction with other construction projects.

2 Highlights

1. History and present status of CHP in the United States
2. Barriers and opportunities for future deployment of Combined Heat and Power (CHP) in the United States

3 Keywords

Combined Heat and Power, Barriers, Policy options

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