



# Combined Heat and Power Incentives Deliver Low-Carbon, Affordable Energy Solutions

Energy efficiency is the most affordable way to lower energy expenses and reduce greenhouse gas emissions. Atmos Energy offers up to \$2 million in financial incentives through the SmartChoice Combined Heat and Power (CHP) program to help qualified Mississippi customers offset the up-front costs of applicable energy efficiency improvements.

## What Is CHP?

CHP is an efficient and clean approach to generating power and thermal energy from a single fuel source that's typically natural gas. CHP systems provide at least a portion of a facility's electrical load and capture waste heat from exhaust gases for use in space heating, cooling, domestic hot water, dehumidification, and/or process heating.

The objective of this program is to encourage CHP installation and reduce the use of electricity from Mississippi's electric grid.

## What Are Program Requirements?

Eligible CHP projects can be driven by either a reciprocating engine or combustion turbine. The fuel source can be natural gas or renewable natural gas (RNG).

All projects must operate at an overall annual efficiency of at least 55% higher heating value. Qualified CHP systems must be sized to meet all or a portion of the customer's on-site thermal load, not to exceed 100% of the most recent annual electric consumption or peak demand. Incentives are not available for CHP systems that serve off-site customers, export to the grid, or are not located on the customer's property.

This program is open to nonresidential, industrial, commercial, government, institutional and nonprofit electric service customers.

## What Are Project Incentives?

Qualified projects are eligible to receive the following incentives:

- \$1,000 per kW, up to \$2 million per project.
- Incentives are allocated in phases:
  1. Design incentive: 10% of total incentive at project approval with signed commitment letter and acceptance of minimum requirements document.
  2. Commissioning incentive: 30% of total incentive after installation is complete, subsequent to commissioning of the CHP system and Atmos Energy inspection.
  3. Production incentive: 60% of total incentive after receiving 12 contiguous months of electrical generation, subsequent to review of metering data. Payment will be based on actual kWh generation and will be capped at 60% of the total incentive.

## Is CHP Right for My Business?

CHP systems operate in a variety of energy-intensive facility types and sizes across the country.

### Industrial manufacturers

- Chemical
- Refining
- Ethanol
- Pulp and paper
- Food processing
- Glass manufacturing

### Institutions

- Colleges and universities
- Hospitals
- Prisons
- Military bases

### Commercial buildings

- Hotels
- Casinos
- Airports
- High-tech campuses
- Large office buildings
- Nursing homes

### Municipal

- District energy systems
- Wastewater treatment facilities
- K-12 schools

### Other

- Multifamily housing
- Planned communities





## Incentive Guidelines

1. Design and Commissioning incentives (combined) are capped at \$800,000. Production incentives are capped at \$1.2 million.
2. One CHP project per year, per customer location.
3. Program funding is limited and may close when funds are allocated. Funds are allocated on a first-come, first-served basis.

## How to Participate

To verify that your project meets eligibility requirements, complete the following program forms, and provide project information.

1. CHP Application Form
2. CHP Feasibility Study
3. Project-specific project costs

Visit [atmosenergy.com/CHP](https://atmosenergy.com/CHP) to download the forms.

### Submit CHP applications to:

Atmos Energy CHP Program  
790 Liberty Road  
Flowood, MS 39232  
601.420.5070  
Email: [lance.coe@atmosenergy.com](mailto:lance.coe@atmosenergy.com)

## CHP Partners

Atmos Energy may partner with the Southeast Department of Energy's CHP Technical Assistance Partnership or other energy organizations to provide technical expertise in the evaluation of program applications.

## Deadline

Projects must be preapproved by October 31, 2022.

## Learn More About CHP

To learn more about CHP, visit:

- Environmental Protection Agency CHP Partnership [www.epa.gov/chp](https://www.epa.gov/chp)
- Department of Energy Industrial Distributed Energy [www.eere.energy.gov/manufacturing/distributedenergy](https://www.eere.energy.gov/manufacturing/distributedenergy)

## Benefits of CHP

- Improved efficiency
- Lower energy costs
- Improved power reliability
- Reduced emissions
- Better fuel utilization
- Energy security

*A customer's eligibility for a particular program shall be determined at the discretion of the Company after a comprehensive financial and operational assessment of the customer's request. The Company is under no obligation to provide incentives to any customer deemed ineligible for a program.*

## Contact Us

For more information or questions about the Atmos Energy SmartChoice CHP program, visit [atmosenergy.com/CHP](https://atmosenergy.com/CHP) or call 601.420.5070.

