

# BGE Combined Heat and Power Program

Baltimore Gas and Electric Company (BGE) offers incentives for qualified combined heat and power (CHP) projects through the BGE Smart Energy Savers Program® to help electric service customers offset the upfront costs for energy efficiency improvements. **Qualifying projects could receive up to \$2.5 million in financial incentives.**

## What is CHP?

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

## Project incentives

All qualified projects are eligible to receive the following:

- Incentive amount:** Incentives are tiered, which means the incentive levels vary based on the installed rated capacity. For example, a 500 kW CHP system would receive \$2,000/kW for the first 50 kW, \$1,600/kW for the next 150 kW and \$1,200/kW for the remaining 300 kW, for a total incentive of \$700,000.
 

Capacity	Incentive
≤ 50 kW	\$2,000/kW
51 kW–200 kW	\$1,600/kW
201 kW–1 MW	\$1,200/kW
> 1 MW	\$800/kW
- Design incentive:** 10% of total incentive at project approval, subsequent to signed commitment letter and acceptance of minimum requirements document.
- Commissioning incentive:** 30% of total incentive after installation is complete, subsequent to commissioning of the CHP system and BGE inspection.
- Production incentive:** 60% of total incentive after receiving 12 contiguous months of actual kWh generation received within 24 months of project installation, subsequent to review of metering data. Payment will be based on actual kWh generation and will be capped at 60% of the total incentive.
- Project caps:** The maximum incentive any one CHP project could receive is \$2.5 million.



## Is CHP right for my business?

CHP systems are operating in a variety of energy-intensive facility types and sizes around 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

## Eligibility

The CHP Program is open to all BGE nonresidential, industrial, commercial, government, institutional and nonprofit electric service customers (rate schedules G, GS, GL, P or T), regardless of your gas and/or electricity supplier. (To determine your rate schedule, look under the “Electric Details” section of your BGE bill.)

Eligible CHP projects can be driven by a reciprocating engine, combustion turbine or fuel cell technology; and the fuel used can be either natural gas or biogas. All projects must operate at an overall annual efficiency of at least 65% (higher heating value). Also, qualified CHP systems must be sized to meet all or a portion of the customer’s on-site load, not to exceed 100% of most recent historical annual consumption or peak demand. Incentives are not available for CHP systems that serve off-site customers, exports to the grid or are not located on the customer’s property.

## How to participate

Verify that your project meets the eligibility requirements specified in the CHP Program Manual. Complete CHP project submissions should include the following:

- 1 CHP Application Form
- 2 CHP Feasibility Study
- 3 Project-Specific Total Resource Cost Calculator Spreadsheet
- 4 Copy of Maryland Energy Administration (MEA) Grant Application, if applicable

Download and complete the CHP Application and the TRC Calculator and view the Feasibility Study Outline at [BGESmartEnergy.com/CHP](https://www.bgesmartenergy.com/CHP). Ensure that all required sections in the Feasibility Study are addressed and that all forms are completed.

Complete CHP project submissions may be sent by U.S. mail, fax or email.

BGE Smart Energy Savers Program  
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7125 Thomas Edison Drive, Suite #100  
Columbia, MD 21046  
Fax: **410-290-0861**  
Email: [business@BGESmartEnergy.com](mailto:business@BGESmartEnergy.com)



## Benefits of CHP

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

## Deadlines

Projects must be preapproved by Dec. 31, 2026.

## Learn more about CHP

Visit the EPA CHP Partnership page: [epa.gov/chp](https://www.epa.gov/chp)

Visit the DOE Industrial Distributed Energy page: [eere.energy.gov/manufacturing/distributedenergy](https://www.eere.energy.gov/manufacturing/distributedenergy)

## Contact us

For more information or questions about BGE’s CHP Program, visit [BGESmartEnergy.com/CHP](https://www.bgesmartenergy.com/CHP), call **410-290-1202** or email [business@BGESmartEnergy.com](mailto:business@BGESmartEnergy.com).

EmPOWER Maryland programs are funded by a charge on your energy bill. EmPOWER programs can help you reduce your energy consumption and save you money. To learn more about EmPOWER and how you can participate, go to [BGESmartEnergy.com](https://www.bgesmartenergy.com).

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