Dear Secretary Moniz:

The Alliance for Industrial Efficiency commends your strong stance on increasing resiliency in U.S. energy infrastructure as well as your recognition of the benefits of combined heat and power (CHP) during your recent address to Columbia University’s Center on Global Energy Policy. As we witnessed during Hurricane Sandy, CHP is uniquely positioned to enhance electric reliability during extreme weather events. We appreciate the Department of Energy’s advocacy for CHP in this discussion and are eager to hear how you will expand upon these thoughts.

We are gratified to see that CHP is listed as an eligible technology under the Department of Energy’s Advanced Fossil Fuel Loan Guarantee program. Consistent with your vision, we believe CHP is a critical piece to “rebuilding in a smart way” from Sandy and that it “prepares the energy infrastructure not for the last storm but for the next storm” as climate change worsens the damage and costs of extreme weather events.

As you know, CHP is a proven and efficient method for generating electricity and thermal energy. In the wake of Hurricane Sandy, more than eight-million people along the eastern seaboard lost power, but communities, institutions, hospitals and businesses that made investments in CHP generation systems kept the lights and heat on, created refuges for residents, and maintained necessary operations. Because CHP systems are typically able to operate independent of the grid, they can provide heat and light even when central power sources are disrupted. The Administration highlighted these benefits in its Hurricane Sandy Rebuilding Taskforce Report, which was released last month.

CHP already produces eight percent of U.S. electric capacity; however, the potential is far greater. In fact, the Oak Ridge National Laboratory projects that CHP could provide 20 percent of U.S. electric capacity. Such full-scale deployment of CHP could create up to one-million jobs and attract $234 billion in private investment, while reducing the disruptive effects of extreme weather events. One year ago, the Administration took a first step to challenge the nation to realize this potential by issuing an Executive Order (EO 13624) establishing a goal of increasing...
CHP deployment by 50 percent (40 gigawatts) by the year 2020. Realizing this goal will help lower energy costs, improve grid security, reduce harmful emissions, and create jobs.

Last week, you spoke about the importance of developing an energy infrastructure “that [not only] serves our economic goals but also provides robustness and resilience against extreme weather events.” CHP is an essential component of that energy infrastructure. As the nation’s infrastructure is taxed by an increasing frequency of intense storms, we need strong leadership to ensure continued American economic prosperity and sustainable climate change mitigation practices. We strongly support your agency’s position on CHP and encourage further work in this area.

In sum, the Alliance thanks you for your leadership and ambition in this area. We would appreciate an opportunity to meet with you to discuss policies that the Administration might be able to support to help increase deployment. We would also be happy to help arrange for you and your staff to visit a CHP facility so that you can observe and profile these benefits first hand. Please let me know if that might be of interest. We look forward to working with you to find ways to advance CHP as an essential part of increasing the nation’s resilience to extreme weather events.

Sincerely,

David Gardiner
Executive Director
Alliance for Industrial Efficiency