

**American Council for an Energy-Efficient Economy (ACEEE) • Alliance for Industrial Energy Efficiency •
The Association of Union Contractors (TAUC) • Capstone Turbine Corporation •
Institute for Industrial Productivity • Mechanical Contractors Association of America (MCAA) •
National Electrical Contractors Association (NECA) • The Pew Charitable Trusts • Recycled Energy
Development • Sheet Metal and Air Conditioning Contractors' National Association (SMACNA)**

The Honorable Daniel K. Inouye
United States Senate
Washington, DC 20510

The Honorable Harold Rogers
United States House of Representatives
Washington, DC 20515

The Honorable Thad Cochran
United States Senate
Washington, DC 20510

The Honorable Norm Dicks
United States House of Representatives
Washington, DC 20515

December 17, 2012

Dear Mr. Chairman Inouye, Mr. Cochran, Mr. Chairman Rogers, and Mr. Dicks:

As the local communities and states affected by Hurricane Sandy look to rebuild and Congress considers a supplemental appropriations package to help in the aftermath, we strongly support the following ways to incentivize grid reliability and build resiliency for critical operations in utilities, hospitals and public institutions as well as large industrial users such as factories.

- \$10 million in additional appropriations for the Department of Energy's Northeast and Mid-Atlantic Clean Energy Application Centers to increase staff capacity during the rebuilding in the affected regions. These centers offer education and technical assistance to facilities interested in implementing industrial efficiency measures.
- Incentives for multi-unit residential, commercial, and industrial buildings to be rebuilt with high efficiency combined heat and power (CHP) systems which will be more resilient and reliable forms of power than conventional distributed electricity sources.

In the wake of Hurricane Sandy, more than eight million people along the eastern seaboard lost power, and many residents of affected communities have been forced to seek shelter and warmth elsewhere, unable to utilize public transportation, fuel their own vehicles, or attend work. Also without power, many manufacturers and other businesses have been unable to maintain operations, leading to idle factories and lost sales. While there has not been a complete evaluation of the cost of the storm and its effect on power supply, it is estimated to be in the tens of billions of dollars.

However, communities, institutions, hospitals and businesses that made investments in CHP generation systems kept the lights and heat on, created refuges for residents and others affected, and maintained necessary operations. CHP technologies produce both electricity and steam from a single fuel at a facility located near the consumer. These efficient systems recover heat that normally would be wasted in an electricity generator, and save the fuel that would otherwise be used to produce heat or steam in a separate unit.

Some examples include:

- **Bronx, New York:** In Co-Op City located in the Baychester section of the Bronx in northeast New York City, one of the largest housing cooperatives in the world and the largest residential

development (60,000 residents) in the United States never lost power during the storm because they invested in CHP. With more than 14,000 apartment units, 35 high rise buildings, eight sets of townhouses and parking garages, three shopping centers and six schools, this community would rank as the 10th largest city in New York State.

- **Salem, New Jersey:** The Salem Community College in Salem County was able to provide hundreds of residents with heating as well as emergency power as the facility operated as a Red Cross Disaster Relief Shelter during the storm and the cold weather afterwards.
- **Manhattan, New York:** In lower Manhattan (11-5th Ave) when ConEd lost power on October 29th, the cogeneration plant in the area provided power to 290 apartment residential buildings. Where there are normally about 720 people housed in these buildings, capacity rose to nearly 1,500 as people came from other parts of the City.
- **Danbury and Milford, Connecticut:** The New Milford and Danbury Hospitals utilized backup generators which produce steam power to weather the storm, keeping the 85-bed and 371-bed, respectively, up and running.
- **Princeton, New Jersey:** Princeton University was able to run critical functions on limited power from the University's independent cogeneration plant for more than 24 hours. This power generated 13 megawatts of electricity, enough to provide first responders and students and faculty who remained on campus to get meals from a small team of Dining Services employees.

CHP is a cost-effective, near-term solution to increase grid reliability and reduce U.S. energy use and costs while also promoting economic growth and addressing future energy needs. The United States already avoids more than five percent of energy use by employing CHP. According to Oak Ridge National Laboratory, significantly increasing this country's industrial energy efficiency could create up to one million jobs. Improving the efficiency of our power generation nationwide could result in more than \$200 billion in private investment over 10 years, according to a study by the Industrial Energy Consumers of America, an organization that represents many of the country's largest manufacturers.

While considering investment to rebuild infrastructure with greater resiliency and reliability for the future, I urge you to consider initiatives to encourage the greater adoption or use of this proven and effective technology – CHP. Not only will it protect against blackouts due to catastrophic events but it will improve our country's grid reliability, create jobs, and benefit communities and companies.

Sincerely,

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