



February 3, 2016



The Honorable Jeanne Shaheen  
520 Hart Senate Office Building  
Washington, DC 20510



Dear Senator Shaheen:



The undersigned businesses, labor, and environmental organizations are committed to encouraging the use of Combined Heat and Power (CHP) and Waste Heat to Power (WHP) to enhance U.S. manufacturing competitiveness, increase energy efficiency, and improve the environment. We write to thank you for your work on the Heat Efficiency through Applied Technology Act (“HEAT Act”). Your bill will help overcome regulatory barriers that have prevented CHP and WHP from reaching their full potential. We are pleased that you have offered this amendment to the Energy Policy Modernization Act (S. 2012) and wholeheartedly support its inclusion in the final bill.



CHP and WHP provide a clean and efficient source of homegrown energy that can help make U.S. manufacturers more competitive. By generating both heat and electricity with a single fuel source, CHP is significantly more efficient than the conventional separate generation of heat and power. By capturing waste heat from existing industrial processes, WHP can generate additional electricity with no incremental emissions. Combined, these technologies offer significant economic, resiliency, and emission benefits to the nation’s factories, hospitals and universities. In 2012, the Department of Energy and EPA found that as much as 130 gigawatts of clean and efficient CHP technical potential remains in the commercial and industrial sectors. That same year, EPA estimated that an additional 15 gigawatts of clean power could be produced using WHP. Yet, a variety of regulatory hurdles have prevented these technologies from reaching their full potential.



The HEAT Act takes a critical step toward reducing these hurdles by requiring the Department of Energy and Federal Energy Regulatory Commission (FERC) to develop materials to identify best practices for interconnection procedures and supplemental, backup and standby power fees. It further provides resources to help states develop environmental regulations that recognize the benefits of energy efficiency. This bill does not mandate that states adopt any new regulations, but instead provides important tools that states can choose to use to help overcome historic barriers to efficiency. These regulatory tools will help increase customer choice by giving potential CHP and WHP hosts the ability to produce their own energy.



The Department of Energy has long recognized interconnection, standby fees and tariffs, and environmental permitting as issues that could be streamlined to encourage greater CHP and WHP deployment. The HEAT Act takes an important step in this direction. In so doing, this bill will spur investments in manufacturing competitiveness within both energy intensive industrials such as





steel, aluminum, glass, chemical, and other sectors such as food and consumer goods. What's more, because CHP projects can operate independently of the grid, this legislation will help America's factories, hospitals, and universities "keep the lights on" during extreme weather events.



We appreciate your efforts to support American manufacturing competitiveness. Our businesses and organizations support The Heat Act and support its inclusion in the Senate energy package.

Sincerely,

Jennifer Kefer, Director  
*Alliance for Industrial Efficiency*

Josh Nordquist, Director  
Business Development  
*Ormat Technologies*

Steve Nadel, Executive Director  
*American Council for an Energy-Efficient Economy*

Phyllis Cuttino, Director, Clean Energy Initiative  
*The Pew Charitable Trusts*

Jake Kuhns  
Director, Federal Government Relations  
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Mo Klefeker, CEO  
*Primary Energy*

Traci Kraus, Manager, Government Relations  
*Cummins Inc.*

Sean Casten, CEO  
*Recycled Energy Development (RED)*

Elizabeth Thompson, Vice President, U.S. Climate and Political Affairs  
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Stan Kolbe, Director Government Relations  
*Sheet Metal & Air Conditioning Contractor's National Association (SMACNA)*

Susan Brodie, Executive Director  
*Heat is Power Association (HiP)*

Neil Kolwey, Senior Associate, Industrial Program  
*Southwest Energy Efficiency Project*

Patricia Sharkey, Policy Director  
*Midwest Cogeneration Association (MCA)*

Tom Felton, President  
*The Association of Union Constructors (TAUC)*

Marco Giamberardino, Executive Director, Government Affairs  
*National Electrical Contractors Association (NECA)*

Mark Bescher, Government Relations  
*Unilever*

Holly R. Hart, Legislative Director  
*United Steelworkers (USW)*

Elinor Haider, Vice President, Market Development  
*Veolia North America*

cc:// Senator Mitch McConnell (R-KY)  
Senator Harry Reid (D-NV)  
Senator Lisa Murkowski (R-AK)  
Senator Maria Cantwell (D-WA)



OUTWEST ENERGY EFFICIENCY PROJECT



Unilever

