



March 3, 2106

Testimony of Jennifer Kefer, Executive Director, Alliance for Industrial Efficiency

On behalf of the Alliance for Industrial Efficiency (the Alliance), I am writing in support of providing full funding in Fiscal Year (FY) 2017 for combined heat and power (CHP) and waste heat to power (WHP) programs administered by the U.S. Department of Energy (DOE) Office of Energy Efficiency and Renewable Energy (EERE), as articulated in the President's budget. The Alliance is a diverse coalition of representatives from the business, environmental, labor and contractor communities. We are committed to enhancing manufacturing competitiveness and reducing emissions through industrial energy efficiency, particularly through the use of clean and efficient power generating systems, such as CHP and WHP.

CHP and WHP offers reduced energy consumption, lowered emissions, and improved grid reliability. By generating both heat and electricity from a single fuel source, CHP dramatically lowers emissions and increases overall fuel efficiency – allowing utilities and companies to effectively “get more with less.” CHP can operate using more than 70 percent of fuel inputs. As a result, CHP can produce electricity with roughly one-quarter the emissions of an existing coal power plant. WHP can produce additional electricity from existing industrial processes with no incremental fuel or emissions. In these ways, EERE's investments in CHP and WHP deployment further the Department's broader goal of making the use of fossil fuels more energy efficient. CHP also enhances electric reliability; because CHP systems produce electricity at the point of use, the losses associated with transmission and distribution (T&D) can be eliminated. This reduces energy use and defers or eliminates the need for costly new T&D investment. Moreover, since CHP systems can operate independent of the grid, they can continue to provide heat and electricity during extreme weather events, which may compromise the grid.

The FY2017 EERE budget includes important provisions that advance CHP and WHP. In particular, the budget request includes adequate funding for the Advanced Manufacturing Office to support the President's goal of 40 gigawatts of new CHP capacity by 2020, as provided by Executive Order 13264, as well as the Presidential Better Building's initiative to help American commercial and industrial buildings become at least 20 percent more energy efficient over the next 10 years. In total, the Industrial Technical Assistance program's FY2017 request is \$29.5M, which includes \$10 million in ongoing support for the CHP Technical Assistance Partnerships (“TAPs”) to help states increase CHP and WHP deployment.

We urge the House Appropriations Committee and Energy and Water Subcommittee to adopt Advanced Manufacturing funding levels for FY2017 consistent with the President's budget request. Funding at the level requested would provide U.S. DOE with the resources it needs to further strengthen CHP and WHP initiatives.

Thank you for your consideration.