

August 11, 2016

The Honorable Lisa Murkowski
Chairman
U.S. Senate Committee on Energy and
Natural Resources
304 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Maria Cantwell
Ranking Member
U.S. Senate Committee on Energy and
Natural Resources
304 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Fred Upton
Chairman
U.S. House Committee on Energy and
Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Frank Pallone, Jr.
Ranking Member
U.S. House Committee on Energy and
Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Rob Bishop
Chairman
U.S. House Committee on Natural
Resources
1324 Longworth House Office Building
Washington, DC 20515

The Honorable Raúl Grijalva
Ranking Member
U.S. House Committee on Natural
Resources
1324 Longworth House Office Building
Washington, DC 20515

Dear Chairman Murkowski, Chairman Upton, Chairman Bishop, Ranking Member Cantwell, Ranking Member Pallone, and Ranking Member Grijalva:

The undersigned businesses, labor, clean energy organizations, 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 appreciate the Senate's bipartisan effort to include section 2312 (written as section 2311 in the table of contents) in the Energy Policy Modernization Act of 2016 (S. 1202), and urge the inclusion of this section in the conference report. This provision will improve American manufacturing competitiveness by providing states with model guidance on interconnection and additional utility services that encourage the deployment of CHP and WHP.

The legislative language, which is modified from Senator Shaheen's Heat Efficiency through Applied Technology (HEAT) Act (S. 1202), will help states develop solutions for meeting growing energy demands efficiently and economically through the use of CHP and WHP technologies. It does so without imposing any mandates or onerous requirements, ensuring that state and local regulators have the opportunity to review the guidance and, should they choose, implement practices that are tailored and in the best interest of their communities.

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. In addition, the electricity from CHP and WHP systems can supplement the power the utility supplies by utilizing a microgrid application that allows manufacturers to gain control over load management and provides resilience against expensive outages. Combined, these technologies offer significant economic, resiliency, and emission reduction benefits to the nation's factories, hospitals and universities.

Earlier this year, the Department of Energy (DOE) and Environmental Protection Agency (EPA) found that more than 140 gigawatts of clean and efficient CHP technical potential remains in the commercial and industrial sectors. In 2015, DOE's Oak Ridge National Laboratory estimated that an additional 15 gigawatts of clean power could be produced using WHP. Many existing regulatory requirements are preventing these technologies from reaching their full potential.

The DOE has long recognized interconnection, standby fees and tariffs, and environmental permitting as areas where procedures could be streamlined to encourage greater CHP and WHP deployment. The HEAT Act begins to tackle some of these barriers. This provision 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.

By addressing the challenges facing CHP and WHP, Section 2312 will help strengthen local economies and support national energy policy goals. We support the inclusion of this important provision in the conference report.

Sincerely,

2G Energy Inc.
St. Augustine, FL

8020 Vision
Eastsound, WA

Aegis Energy Services
Holyoke, MA

Affiliate Energy
Lindon, UT

Alliance for Industrial Efficiency
Washington, D.C.

Ameresco
Framingham, MA

American Council for an Energy-Efficient
Economy (ACEEE)
Washington, D.C.

American Public Gas Association
Washington, D.C.

AMSEnergy Corp
Columbia, TN

ASI Energy
Ithaca, NY

Atlantic Energy Concepts
Blandon, PA

Axiom Engineers, Inc.
Monterey, CA

Blue Mountain Resort
Palmerton, PA

Bosch Thermotechnology Corporation
Londonderry, NH

Burns Engineering
Philadelphia, PA

Cannon Boiler Works, Inc.
New Kensington, PA

Capstone Turbine Corporation
Chatsworth, CA

Cargill
Wayzata, MN

CDM Smith
Boston, MA

Cool Energy, Inc.
Boulder, CO

Cornerstone Sustainable Energy
New York, NY

Cummins Inc.
Shoreview, MN

Danfoss
Baltimore, MD

DCO Energy
Mays Landing, NJ

DE Solutions, Inc.
Encinitas, CA

DVA Commercial RE
Montebello, CA

E3 Inc.
Traverse City, MI

EarthKind Energy
Rhinebeck, NY

Echogen Power Systems, LLC
Akron, OH

Eirschele Consulting Services
Seattle, WA

ElectraTherm
Reno, NV

Ener-G-Rotors, Inc.
Rotterdam, NY

Energy Resources Center
Chicago, IL

Energy Spectrum, Inc.
Brooklyn, NY

Energy-Inc. Park
North Las Vegas, NV

Gotham Energy 360 LLC
New York, NY

Growth Capital Network
Ann Arbor, MI

Gulf Coast Green Energy
Bay City, TX

HCS Group, Inc.
Humble, TX

Health Care Without Harm
Reston, VA

Heat is Power Association
Oak Brook, IL

Horizon Power Systems
Farmington, NM

Integral Power, LLC
Houston, TX

J. Brady Contracting Inc.
Morrisville, NC

Johnson Controls
Milwaukee, WI

Landis Sewerage Authority
Vineland, NJ

Lathrop Trotter Co.
Cincinnati, OH

Lean & Green Michigan
Detroit, MI

Marina Energy, LLC
Folsom, NJ

Mesa Mechanical, Inc.
Las Vegas, NV

MGM Resorts International
Las Vegas, NV

Midwest Cogeneration Association
Carol Stream, IL

Monkeytech International LLC
Chelsea, MA

n2 Integrated Energy Solutions
Irvine, CA

National Electrical Contractors Association
Bethesda, MD

Northeast Clean Heat and Power Initiative
New York, NY

Notch Mechanical Constructors
Chicopee, MA

OHR Energy
Los Angeles, CA

Ormat Technologies
Reno, NV

PDR & Associates Energy Group
East Brunswick, NJ

Phoenix Contact Inc.
Middletown, PA

Port Arthur Steam Energy LP
Port Arthur, TX

Power Equipment Associates
Carol Stream, IL

Primary Energy
Oak Brook, IL

RealEnergy
Napa, CA

Recycled Energy Development, LLC
Westmont, IL

Regatta Solutions
San Juan Capistrano, CA

Schneider Electric
Boston, MA

Self-Gen, Inc.
Scarborough, ME

Sidel Global Environmental LLC
Atascadero, CA

Sidel Systems USA Inc.
Atascadero, CA

Siemens
Washington, D.C.

Sierra Nevada Brewing Co.
Chico, CA

Thermal Energy Partners LLC
Austin, TX

SMACNA Mid-Atlantic Chapter
Greenbelt, MD

U.S. Green Building Council
Washington, D.C.

SMACNA of Southern Nevada
Las Vegas, NV

Unilever
Englewood Cliffs, NJ

Southwest Energy Efficiency Project
Boulder, CO

United Steelworkers
Pittsburgh, PA

Stanley Consultants, Inc.
Muscatine, IA

Utah P3
Pleasant Grove, UT

Technical Support, Inc.
Scarborough, ME

Veolia North America
Boston, MA

TerraShares
Morristown, TN

Vireo Energy
Malibu, CA

The Association of Union Constructors
Arlington, VA

Western Energy Systems
Brea, CA

The E Cubed Company LLC
Rockport, ME

White Harvest Energy
Chattanooga, TN

The Pew Charitable Trusts
Philadelphia, PA

WinWerksIPD
San Diego, CA

The Sheet Metal and Air Conditioning
Contractors National Association
(SMACNA)
Chantilly, VA

Woodard & Curran, Inc.
Portland, ME

World Alliance for Decentralized Energy
Washington, D.C.

cc: Representatives Joe Barton, Ed Whitfield, John Shimkus, Robert Latta, Cathy McMorris Rodgers, Pete Olson, David Mickinley, Mike Pompeo, Morgan Griffith, Bill Johnson, Bill Flores, Markwayne Mullin, Don Young, Cynthia Lummis, Jeff Denham, Bruce Westerman, Lamar Smith, Randy Weber, Mike Conaway, Glenn Thompson, Cresent Hardy, Lee Zeldin, Collin Peterson, Eddie Bernice Johnson, Peter DeFazio, Bobby Rush, Lois Capps, Doris Matsui, John Sarbanes, Peter Welch, Ben Ray Luján, Paul Tonko, Jared Huffman, Debbie Dingell; Senators John Barrasso, Jim Risch, John Cornyn, Ron Wyden, and Bernie Sanders