



The Honorable Lisa Murkowski
709 Hart Senate Office Building
Washington, D.C 20510

The Honorable Maria Cantwell
511 Hart Senate Office Building
Washington, D.C 20510

February 3, 2016

Dear Chairman Murkowski and Ranking Member Cantwell,

We are writing to express our support and opposition to various amendments that have been proposed to the Energy Policy Modernization Act (S. 2012).

Several Senators have offered amendments that would spur the greater employment of combined heat and power (CHP) and waste heat to power technologies (WHP) technologies, which provide substantial energy savings and enhance the reliability of energy supplies. These amendments would reduce regulatory barriers, increase opportunities for the federal government to save energy, and provide additional financing options for companies investing in CHP and WHP. By generating both heat and electricity from a single fuel source, CHP increases overall fuel efficiency – increasing manufacturing competitiveness and dramatically lowering emissions. WHP can generate electricity with no additional fuel and no incremental emissions. What's more, because these technologies produce electricity at the point of use, facilities with CHP and WHP systems can “keep the lights on” during extreme weather events that may compromise the grid.

The Alliance for Industrial Efficiency is pleased that the Senate has adopted the following amendments to the Energy Policy Modernization Act:

- SA 2970 (Senator Gardner): Strengthens federal energy management requirements
- SA 3145 (Senator Carper): Includes waste heat to power under the definition of renewable energy under the federal purchase requirement in the Energy Policy Act of 2005

In addition, the Alliance for Industrial Efficiency supports the following amendments, which will help increase deployment of these clean and efficient technologies. We urge the Senate to adopt these amendments:

- SA 2967 (Senator Shaheen): Heat Efficiency through Applied Technology (HEAT) Act
- SA 3068 (Senator Hirono): Allows 30-year federal power purchase contracts for CHP and renewable energy
- SA 3071 (Senator Moran): Extends ability to form master limited partnerships to clean energy technologies, including CHP and WHP
- SA 3115 (Senator Franken): Energy Efficiency Resource Standard for Retail Electricity and Natural Gas Suppliers



- SA 3102 (Senator Udall): Clean Energy Victory Bonds for performance based energy efficiency improvements, or renewable energy
- SA 3130 (Senator Warner): Energy Productivity Innovation Challenge (EPIC)

There are also amendments that the Alliance opposes. The Environmental Protection Agency's Clean Power Plan provides utilities substantial incentives to reduce greenhouse gas emissions using clean energy solutions such as CHP and WHP, and the Alliance opposes efforts to require the agency to withdraw or substantially weaken the rule. The Alliance also opposes efforts to amend the Public Utilities Regulatory Act of 1978 (PURPA) in order to create regulatory processes that focus solely on the costs of distributed generation to the exclusion of benefits such as greater efficiency and resiliency.

Accordingly, the Alliance for Industrial Efficiency opposes the following amendments:

- SA 3074 (Senator Blunt): Withdrawal of the Clean Power Plan
- SA 3053 (Senator Flake): Amends PURPA to require public utility commissions to consider “cross-subsidization of customer side technology”

We look forward to continuing to work with you and members of the Energy and Natural Resources Committee staff to craft energy policy legislation that helps America's industries to become more energy efficient, resilient, and globally competitive.

Sincerely,

Jennifer R. Kefer
Executive Director, Alliance for Industrial Efficiency

The Alliance for Industrial Efficiency is a coalition of business, labor and environmental organizations that are committed to encouraging the use of CHP and WHP to enhance U.S. manufacturing competitiveness, increase energy efficiency, and improve the environment. CHP systems generate heat and power simultaneously, which provides for greater energy efficiency. CHP systems also generate power onsite, providing industrial users with greater energy security during disruptions to the electric grid. WHP systems capture wasted heat resources from high-heat industrial processes, such as those employed by steel and paper mills, and convert the waste heat into electric power with no incremental emissions.