



March 2, 2017

The Honorable Tom Reed  
2437 Rayburn House Office Building  
Washington, DC 20515

Dear Representative Reed,

I am writing to you on behalf of the Alliance for Industrial Efficiency to thank you for introducing the Technologies for Energy Security Act (H.R. 1090). This legislation will provide needed certainty for the developers of combined heat and power (CHP) projects and the industrial customers they serve.

As you know, in December 2015, Congress extended the investment tax credit (ITC) for solar technologies through 2021 (providing a five-year extension with “start of construction” language). The credit was not extended for non-solar Section 48 technologies, including CHP, however, and it expired at the end of last year. The Technologies for Energy Security Act corrects this inequity and provides a level playing field for all energy technologies eligible for the ITC.

CHP is a proven and effective energy resource that can help efficiently address current and future energy needs. Approximately 82 gigawatts of CHP are currently installed in the United States, accounting for 12 percent of U.S. electricity generation. Each year, this installed capacity decreases U.S. energy use by almost 1.9 quadrillion Btus. But tremendous potential for energy savings remains. In fact, last year the Department of Energy released a report identifying 233 GW of technical potential for CHP installations. Deployment of these projects would enhance manufacturing competitiveness at their host facilities and create job opportunities in the design, construction, installation, and maintenance of equipment. Installing just 40 additional gigawatts would save energy users \$10-billion a year. Despite these long-term savings, CHP projects require a large up-front capital investment. The ITC can help defray these up-front costs and help jumpstart deployment.

The Alliance for Industrial Efficiency appreciates your efforts to enhance American manufacturing competitiveness, and looks forward to working with you to enact the Technologies for Energy Security Act.

Sincerely

Jennifer Kefer  
Executive Director  
Alliance for Industrial Efficiency

*The Alliance is a diverse coalition of business, labor, and non-profit organizations that advocate for policies that increase U.S. manufacturing competitiveness through industrial energy efficiency, especially the use of CHP and WHP.*