



June 14, 2017

The Honorable Lamar Alexander  
Chairman  
U.S. Senate  
Committee on Appropriations  
Subcommittee on Energy & Water  
And Related Agencies  
Washington, D.C. 20510

The Honorable Diane Feinstein  
Ranking Member  
U.S. Senate  
Committee on Appropriations  
Subcommittee on Energy & Water  
And Related Agencies  
Washington, D.C. 20510

The Honorable Mike Simpson  
Chairman  
U.S. House Committee on Appropriations  
Subcommittee on Energy & Water  
Development & Related Agencies  
Washington, D.C. 20515

The Honorable Marcy Kaptur  
Ranking Member  
U.S. House Committee on Appropriations  
Subcommittee on Energy & Water  
Development & Related Agencies  
Washington, D.C. 20515

Dear Chairman Alexander, Ranking Member Feinstein, Chairman Simpson and Ranking Member Kaptur:

We write to urge you to support the Department of Energy's (DOE) Combined Heat and Power (CHP) Technical Assistance Partnerships (TAPs) and other activities at DOE that save consumers money, strengthen our nation's energy security, and reduce harmful emissions.

President Trump's 2018 budget blueprint proposes a 70 percent reduction in funding for DOE's Office of Energy Efficiency and Renewable Energy (EERE). Such a reduction would slash resources for DOE's CHP TAPs, housed within EERE, greatly limiting outreach and education about CHP and Waste Heat to Power (WHP) – clean energy sources that can make significant contributions to our country's industrial energy efficiency. The budget further expresses a strong preference for innovative technologies that are “too far from market realization to merit sufficient industry focus and critical mass,”<sup>1</sup> overlooking proven resources to make manufacturers more competitive and reduce emissions. We recommend the EERE continue to focus resources on existing as well as innovative technologies in order to make the most impact.

Cutting support for the TAPs and targeting DOE resources to emerging technologies would undermine America's progress to make our manufacturers more efficient and competitive, increase the reliability of the electric grid, and lower emissions. We urge the Appropriations Committee to reconsider these budget numbers and maintain funding for federal programs that support CHP and WHP deployment.

CHP and WHP face critical barriers in the marketplace, especially a lack of information on the part of businesses who might host these facilities and state and local governments who might include them in their energy plans. DOE supports the CHP and WHP industry by helping

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<sup>1</sup> U.S. Office of Chief Financial Officer, May 2017, DOE FY2018 Congressional Budget Request, [https://energy.gov/sites/prod/files/2017/05/f34/FY2018BudgetinBrief\\_0.pdf](https://energy.gov/sites/prod/files/2017/05/f34/FY2018BudgetinBrief_0.pdf) (“This budget focuses DOE resources toward early-stage R&D.... All EERE programs will focus on research that industry either does not have the technical capability to undertake or is too far from market realization to merit sufficient industry focus and critical mass.”).



businesses, government and others understand the potential and benefits of these technologies. Among other things, the DOE TAPs conduct screenings to determine if facilities are good candidates for CHP and WHP. These screenings have included a comprehensive assessment of Army military bases, which led to a federal goal of tripling deployment on Army property by 2020. DOE also produces valuable information about CHP opportunities. For instance, the agency maintains a comprehensive 50-state database of CHP installations, a series of case studies about successful projects, and produces regular reports identifying technical potential. These resources educate potential hosts about the opportunity and encourage them to consider deployment. DOE is also advancing innovative approaches to CHP and WHP deployment by promoting packaged CHP and WHP systems to potential hosts.

DOE's most recent technical potential report identifies 149 gigawatts – or the equivalent of 300 additional power plants - in technical on-site CHP potential, and 15 GW in WHP potential. Recent analysis by the Alliance for Industrial Efficiency finds that deploying even a fraction of these projects could save U.S. businesses \$141 billion in avoided energy costs from 2016-2030.<sup>2</sup>

The TAPs help the private sector seize this opportunity. The TAPs conduct screenings to help stakeholders determine if they are good candidates for projects and identify resources to help with funding. DOE's CHP database, case studies, and technical potential reports help policymakers identify sectors with significant deployment opportunities.

Conventional power generation is incredibly inefficient. By producing both heat and electricity from a single fuel source, CHP dramatically increases the efficiency of energy production. Likewise, WHP systems increase the efficiency of industrial operations by generating electricity on-site from waste heat with no additional fuel or emissions. These energy savings, in turn, reduce energy costs for project hosts, making them more competitive. Because CHP systems can operate independently of the grid, these systems can also keep the lights and power on during extreme weather events. And greater efficiency translates to lower emissions; EPA reports that a typical CHP system can cut greenhouse gas emissions *in half* compared to the separate generation of heat and power, and WHP systems generate additional electricity with no incremental emissions. Recognizing these benefits, EPA has repeatedly identified CHP as a compliance option in Clean Air Act rules.

We urge you to maintain funding for DOE's TAPs and to support continued efforts at the agency around CHP and WHP because these technologies increase U.S. competitiveness, enhance the resiliency of our energy infrastructure, and lower emissions.

Sincerely,

Jennifer Kefer

Executive Director

Alliance for Industrial Efficiency

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<sup>2</sup> The Alliance for Industrial Efficiency, Sep. 2016, "State Ranking of Potential Carbon Dioxide Emission Reductions through Industrial Energy Efficiency" (<http://bit.ly/2rrjyUN>). Report considers CHP potential alongside other industrial efficiency improvements. Citation refers to unpublished data reflecting CHP and WHP deployment alone.