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WASHINGTON (August 24, 2017) – Last week, the Department of Energy (DOE) [released a study](#) on the electricity grid, which contains a series of recommendations for stakeholders, including a recommendation that the agency focus research and development efforts to enhance system reliability and resiliency. However, the report excludes mention of combined heat and power (CHP).

“DOE’s recent grid study, which calls for a comprehensive strategy for long-term reliability and resilience, neglects to address an important contributor to grid reliability: combined heat and power,” states Jennifer Kefer, Executive Director of the Alliance for Industrial Efficiency. “With this grid study, DOE is missing a significant opportunity to encourage deployment of CHP, which would make the grid significantly more resilient. Through increased deployment of CHP, the U.S. can strengthen industry, increase grid reliability, and ultimately make manufacturers more competitive.”

CHP is a proven and efficient method for generating electricity and thermal energy. In CHP systems, a single fuel source is used to generate both heat and electricity, making this integrated approach far more efficient than conventional power generation. Conventional electricity generation is only 33 percent efficient, while CHP systems can operate at efficiency levels as high as 80 percent.

As a testament to the power resiliency of CHP systems, during both Hurricane Katrina in 2005 and Hurricane Sandy in 2012, facilities with CHP continued to have access to power, hot water, and cooling, including several hospitals that were able to continue serving patients throughout the storms. Indeed, while more than eight million residents in the Mid-Atlantic lost power during Hurricane Sandy in October 2012, CHP systems helped several large energy users — including New York University, Long Island’s South Oaks Hospital, Co-op City in the Bronx and New Jersey’s Bergen County Utilities Authority — stay warm and bright. Undoubtedly, similar stories will emerge following this week’s devastation in the Gulf Coast.

Despite their tremendous potential, CHP currently represents only eight percent of U.S. electricity production; however, the potential is far greater. Last fall, the Alliance [produced a report](#) finding that building only those projects that could be repaid within 10 years would save American families and businesses \$140.6-billion in their energy bills from 2016 through 2030, while reducing the disruptive effects of extreme weather events.

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The Alliance for Industrial Efficiency is a growing 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 Combined Heat and Power (CHP) and Waste Heat to Power (WHP).