



The Honorable Jeanne Shaheen  
520 Hart Senate Office Building  
Washington, DC 20510

August 4, 2017

Dear Senator Shaheen:

The Alliance for Industrial Efficiency (“The Alliance”) welcomes your re-introduction of the Heat Efficiency through Applied Technology (HEAT) Act (S.1711) and commends you for your strong leadership on energy-efficiency issues. This bill will help make our nation more energy efficient and we hope that it can be included in the Senate’s energy package. The Alliance is a diverse coalition that includes representatives from the business, environmental, labor and contractor communities. We are committed to enhancing manufacturing competitiveness, improving electric reliability, and reducing carbon emissions through increased industrial energy efficiency, particularly from greater use of combined heat and power (CHP) and waste heat to power (WHP).

In confronting our nation’s energy challenges, it is absolutely critical that we focus on energy efficiency— “the cheapest and cleanest energy source we don’t have to use,” according to the Bipartisan Policy Center.<sup>1</sup> The HEAT Act does just that by helping 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.

Last 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

<sup>1</sup> Bipartisan Policy Center, America’s Energy Resurgence: Sustaining Success, Confronting Challenges, February 2013, at 67 (<http://bit.ly/NrYjJH>).

<sup>2</sup> American Council for an Energy-Efficient Economy, “Savings and Jobs in the Shaheen-Portman Bill,” February 2014 (<http://aceee.org/files/pdf/fact-sheet/s-p-handout.pdf>).

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, The HEAT Act will help strengthen local economies and support national energy policy goals. We urge the Senate to take up this bill for consideration promptly and pass it without delay. We welcome any opportunity to be of assistance during this process. Thank you again for your leadership in developing this bill.

Sincerely,



Jennifer R. Kefer  
Executive Director  
Alliance for Industrial Efficiency

<sup>3</sup> Hurricane Sandy Rebuilding Task Force, Hurricane Sandy Rebuilding Strategy, August 2013, (<http://portal.hud.gov/hudportal/documents/huddoc?id=HSRebuildingStrategy.pdf>).