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**WASHINGTON** (Feb. 12, 2018) — The Alliance for Industrial Efficiency is disappointed that President Trump's FY2018 budget reduces funding for the U.S. Department of Energy's Office of Energy Efficiency and Renewable Energy (EERE) by 65 percent. The proposed budget would slash resources for DOE's Advanced Manufacturing Office and the CHP Technical Assistance Partnerships (CHP TAPs), as well as supporting activities within DOE's Advanced Manufacturing Office's Technical Partnership Program. These proposed budget cuts would weaken America's national security, increase the likelihood of harmful blackouts in the wake of natural and manmade disasters, increase energy costs for industry and worsen our industrial competitiveness, and increase harmful air and water emissions. For these reasons, we urge Congress to restore FY2017 funding levels to EERE – to include \$12 million to support the CHP TAPs and related CHP technical partnership activities at DOE.

Slashing EERE's budget would significantly reduce DOE's capacity to provide technical support for both existing and potential CHP installations. EERE oversees a network of eight regional CHP TAPs, based on universities and other institutions around the country. The CHP TAPs serve a critical function by conducting site assessments, sharing background about best practice policies, and providing technical support to potential hosts. DOE's Technical Partnership Program further encourages deployment by developing resources about CHP's benefits and applications, maintaining a comprehensive database of existing projects, and determining technical potential for key sectors. Combined, the network of CHP TAPs and the complementary activities at DOE remove policy and market barriers and further the deployment of clean and efficient CHP systems.

Because it generates both heat and electricity from a single fuel source, CHP is twice as efficient as conventional power generation. Because CHP utilizes locally available fuel, these projects increase energy independence. Recent natural disasters—such as hurricanes Harvey, Irma, and Maria—have reaffirmed the importance of efficient and resilient energy systems and demonstrated the role CHP can play in maintaining energy services for critical infrastructure during widespread grid outages. Because CHP systems can operate independently of the grid, they can keep power, heating and cooling on during hurricanes, severe flooding, cyber incidents, and other states of emergency. The CHP TAPs and complementary activities within DOE's Technical Partnership Program help develop strategies, policies and technology solutions to increase resilience to natural disasters and improve grid and electric delivery reliability.

We urge Congress to provide full funding (i.e., \$12 million) in the FY2019 budget to support the CHP TAPs and DOE's technical partnership program. Such funding is needed to ensure DOE is able to fulfill its mission of advancing technology solutions that enhance the resiliency, competitiveness, availability and security of America's energy infrastructure.

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The Alliance for Industrial Efficiency is a diverse coalition that includes representatives from the business, labor, contractor and academic communities. We are committed to enhancing manufacturing competitiveness and saving energy and money through industrial energy efficiency, particularly in the form of clean and efficient CHP and WHP. For more, visit: <u>https://alliance4industrialefficiency.org/</u>