



## **The Alliance for Industrial Efficiency – 2018 Accomplishments**

The Alliance has made tremendous progress in 2018 advancing policies that support combined heat and power (CHP) and waste heat to power (WHP) on Capitol Hill, with the Administration, and in state and utility proceedings across the country.

We welcomed two new companies as Alliance members:

- AB Energy USA, LLC ([announcement](#))
- Sterling and Wilson Cogen Solutions, LLC ([announcement](#))

Our work focused on six broad areas:

1. Securing funding for DOE's CHP Technical Assistance Partnership and complementary activities at DOE;
2. Addressing barriers to CHP, such as shining a spotlight on burdensome standby rates;
3. Including CHP and WHP language in state and utility resource plans;
4. Protecting utility efficiency programs;
5. Engaging in dialogue with state utilities and PUCs on CHP-related policy issues; and
6. Encouraging manufacturers to adopt public efficiency targets.

To these ends, we supported and helped secure favorable language in the following proposals:

- Bipartisan Budget Act of 2018 (P.L. 115-123)
- Master Limited Partnerships Parity Act (H.R. 4118, S. 2005)
- Energy and Water Appropriations (H.R. 5895, S. 2975) [S. Rept. 115-258]
- The Combined Heat and Power Support Act (H.R. 6949, S. 2142)
- Consolidated Appropriations Act of 2018
- Energy Sector Innovation Credit Act (Rep. Tom Reed, R-NY) [DRAFT]
- North American Energy Security & Infrastructure Act of 2015 (H.R. 8)
- Leading Infrastructure for Tomorrow's America Act (H.R. 2479)
- Federal Building Energy Intensity Improvement (S. 1460)
- [CHP amendment](#) in Virginia's Grid Transformation and Security Act of 2018 (S.B. 966)

Additionally, we have:

- Weighed in on federal and state policy by submitting multiple comments, organizing letters, and releasing statements, including:
  - Sent 5 letters to federal legislators, 1 letter to a federal department, and 11 letters (business, coalition, and thank you letters) to state legislators and utilities and commissions
  - Organized or joined 9 national coalition letters and comments
  - Released 1 statement on federal Executive Branch actions, 2 statements on federal Legislative Branch actions, and 2 statements on state actions
  - Convened 23 meetings with congressional staff
  - Submitted 13 comments on state actions in Arizona, Indiana, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, and Virginia
  - Organized 7 stakeholder coalition letters in Indiana, Michigan, New Jersey, and Ohio with major business signatories such as Cargill, Cummins, Inc., Dow Chemical Company, Eastman Chemical Company, Ecolab, Inc., General Motors, Michigan Chemistry Council, Michigan Forest Products Council, Schneider Electric, Timber Products Company, Unilever, Veolia North America, LLC, and more.



- Convened business coalition meetings with state policymakers in Arizona, Ohio, Pennsylvania, and Virginia
- Released 4 fact sheets
- Created 4 manufacturer case studies and developed 1 energy efficiency worker profile
- Authored 5 blog posts regarding energy efficiency issues
- Helped place 6 op-eds on energy efficiency
- Presented at 10 events across the country

Links to many of these materials follow.

## **I. Reports & Case Studies**

At the end of June, the Alliance published an energy efficiency manufacturing paper examining the efficiency targets and engagement of 160 large US manufacturers. The report showcases the manufacturers who have energy efficiency commitments and emphasizes the importance of public commitments. Since the report was published:

- More than 180 people have downloaded the full report, including individuals from major manufacturing companies such as 3M, BASF, Caterpillar, DuPont, Johnson & Johnson, Lockheed Martin, Mitsubishi, Nestle, Oracle, and Siemens
- More than 700 people have viewed related materials (linked to below), not including those who have accessed the report through alternative websites (e.g. Smart Energy Decisions)
- Multiple outlets covered the report, including Smart Energy Decisions and regional and manufacturing trade outlets
- More than 125 people shared the report on social media, including high impact users such as USGBC, Joel Makower of GreenBiz, Alliance to Save Energy, Advanced Energy Economy, ArcelorMittal US, NRDC, EDF and more

The full report materials and associated products are below:

[Report](#): Committed to Savings: Major U.S. Manufacturers Set Public Goals for Energy Efficiency – June 2018

[Case Study](#): ArcelorMittal: Serious About Saving Energy – June 2018

[Case Study](#): Cargill: 20+ Years of Setting & Achieving Energy Savings Goals – June 2018

[Case Study](#): Cummins: From Goals to Greatness – June 2018

[Leadership Profiles](#): 3M, BASF, and Bayer – June 2018

## **II. Events & Presentations**

[Webinar](#): Update on Standby Tariffs—Barriers & Opportunities for CHP in Indiana – December 2018

[Conference](#): Jennifer Kefer helped plan and moderated Cogeneration Day USA – November 2018



[Webinar](#): The Power of Energy Efficiency Goals: A Conversation with Large U.S. Manufacturers – September 2018

[Webinar](#): Get Ready for U.S. DOE's 50001 Ready: Next Generation Industrial Energy Management to Cut Costs & Emissions – September 2018

[Video](#): Cogeneration Channel interview on standby rates featuring Jennifer Kefer – February 2018

The Alliance presented to a diverse array of groups on standby rates:

- [Presentation](#): Presentation to members of EPA's CHP Partnership on best practices for CHP Standby Rates – May 2018
- Presentation: Presentation on standby rate efforts to the American Forest and Paper Association – May 2018
- [Presentation](#): Presentation on standby rate efforts to the American Chemistry Council (ACC) Energy Committee – May 2018 & Nov. 2018
- [Presentation](#): Presentation to members of the Industrial Energy Consumers of America (IECA) on standby rate design and PURPA – May 2018
- Workshop: Helped organize and attended a full-day standby rate workshop organized by the Midwest Cogeneration Association in Chicago and moderated a roundtable discussion with two-dozen CHP developers and end users – May 2018
- Presentation: Presentation to participants in DOE's CHP for Resiliency Accelerator on best practices for standby rate design – April 2018
- [Presentation](#): Presentation to Ohio Public Utility Commission staff and Commissioners on Power Forward, Best Practices for Rate Design – March 2018

Other miscellaneous presentations follow:

[Presentation](#): Alexandra Rekkas presented on threats to industrial efficiency programs for the Conservative Energy Network – August 2018

[Presentation](#): Presentation to ASHRAE on CHP 101 – March 2018

[Presentation](#): Presentation to CHP advocates with ACEEE on CHP as a Resiliency Solution – Feb. 2018

### III. Fact Sheets

[Fact Sheet](#): The Potential for CHP at U.S. Airports, the first in a series of factsheets on CHP benefits and potential in various commercial and industrial sectors, including: hospitality services, military installations, and more – November 2018



[Fact Sheet](#): Key Findings from U.S. Manufacturers: Committed to Saving Energy – June 2018

[Fact Sheet](#): The Need for Standby Rate Reform to Support CHP Deployment – May 2018

[Fact Sheet](#): The Opportunity for CHP in Natural Disaster Mitigation – February 2018

#### **IV. Executive Branch Materials**

Alliance released a [statement](#) urging President Trump and Congress to include funding for the CHP Technical Assistance Partnerships (CHP TAPs) in the FY2019 Budget – February 2018

#### **V. Legislative Materials**

Alliance sent a [letter](#) to the Senate Committee on Energy and Natural Resources in support of the confirmation of Daniel Simmons as the DOE Assistant Secretary for Energy Efficiency and Renewable Energy – December 2018

Alliance sent a [letter](#) to Representatives Kinzinger (R-IL), Tonko (D-NY), McKinley (R-WV), and Welch (D-VT) thanking them for the introduction of the CHP Support Act (H.R. 6949) – October 2018

Alliance sent a [letter](#) to the House Democratic Caucus providing recommendations to advance combined heat and power (CHP) and waste heat to power (WHP) in the forthcoming infrastructure or energy package – July 2018

Alliance sent a [letter](#) to the Treasury Department's Assistant Secretary for Tax Policy David Kautter, and Acting IRS Chief Counsel, William Paul to outline how to approach the sec. 48 ITC guidance on beginning construction – June 2018

Alliance sent a thank you [letter](#) to leaders of the House and Senate Appropriations Subcommittees on Energy and Water Development thanking them for the funding provided in the FY2018 appropriations bill for the CHP TAPs and related activities – March 2018

Alliance issued a [statement](#) celebrating the passage of the Consolidated Appropriations Act of 2018 – March 2018

Alliance send multiple letters to supporters and key decision makers (e.g. see [letter to Hatch](#)) thanking them for their support of the extension of the CHP tax credit – February 2018

Alliance released a [statement](#) applauding the passage of the Bipartisan Budget Act of 2018, which restored and extended the investment tax credit for CHP – February 2018

#### **VI. National Coalition Letters**

Alliance joined a coalition [letter](#) in support of the inclusion of energy storage as an eligible technology in the upcoming energy tax extenders legislation – December 2018

Alliance co-signed a coalition [letter](#) to Congress regarding the pressing need to address the expired tax provisions (“tax extenders”) – November 2018



Alliance joined a coalition [letter](#) organized by the Alliance to Save Energy in support of efficiency tax incentives – November 2018

Alliance wrote, organized, and joined a coalition [letter](#) to Congress endorsing the CHP Support Act (HR 6949) – October 2018

Alliance wrote, organized, and joined a stakeholder [letter](#) from more than 150 businesses asking Congress for continued funding of the EPA's Combined Heat and Power Partnership (CHPP) and other critical federal energy efficiency programs – May 2018

Alliance joined a coalition [letter](#) in support of ENERGY STAR and other voluntary energy efficiency programs administered by the U.S. Environmental Protection Agency – April 2018

Alliance joined a coalition [letter](#) in support of robust funding for Department of Energy efficiency programs – March 2018

Alliance joined a coalition [letter](#) in support of energy innovation and Department of Energy funding – March 2018

Alliance joined a coalition [letter](#) with 68 associations urging Congress to pass “tax extenders” as reflected in the Tax Extender Act of 2017 (S. 2256) – January 2018

## **VII. State Comments & Letters**

### Arizona

Alliance filed [comments](#) with the Arizona Corporation Commission regarding cuts to Arizona Public Service Company's commercial and industrial incentives – December 2018

Alliance filed [comments](#) with the Arizona Corporation Commission commending the Commission for advancing standardized and streamlined interconnection rules – April 2018

Alliance provided [comments](#) on the Arizona Corporation Commission's proposed Energy Modernization Plan – April 2018

Alliance submitted [comments](#) to the Arizona Corporation Commission regarding the Integrated Resource Plans proposed by the state's two biggest utilities – February 2018

### Indiana

Alliance and other partners organized a [coalition letter](#) thanking Governor Holcomb for proclaiming October 5 Energy Efficiency Day, signed by 36 organizations and businesses. The letter was hand-delivered to the Governor's office by Cummins, Inc. – November 2018

Alliance organized a [coalition letter](#) with seventeen municipalities, manufacturers, and organizations asking for fair and reasonable standby rates in Indiana. The letter was sent to all members of the relevant legislative committees ahead of a study session addressing utility tariffs – October 2018



Alliance submitted [comments](#) in response to the Indiana Utility Regulatory Commission Backup, Maintenance, and Supplemental Power Rate Review Draft Report – August 2018

Alliance submitted [comments](#) on standby rates review to the Indiana Utility Regulatory Commission – April 2018

### Maryland

Alliance submitted [comments](#) to the Maryland Public Service Commission asking for clarity in a proposed regulation affecting small CHP and WHP systems – August 2018

### Michigan

Alliance organized a [business letter](#) from twelve manufacturers, developers, and institutions to the Chairman of the Michigan Public Service Commission in favor of standby rate reform for DTE Energy – February 2018

Alliance submitted [comments](#) to the Chairman of the Michigan Public Service Commission in favor of standby rate reform for DTE Energy – February 2018

### Minnesota

Alliance filed [comments](#) with the Minnesota Public Utilities Commission recommending the Commission establish a CHP and WHP deployment goal for Xcel Energy – December 2017

### Nevada

Alliance sent a [letter](#) to the Nevada Public Utilities Commission thanking them for approving the demand side management portion of NV Energy's intergrated resource plan – December 2018

### New Jersey

Alliance submitted [comments](#) to the New Jersey Board of Public Utilities (NJBPU) regarding recommendations for New Jersey's 2019 Energy Plan – October 2018

Alliance also joined 16 other businesses and trade associations in submitting a [coalition letter](#) supporting consideration of energy efficiency and demand response as part of ongoing energy planning discussions in the state – October 2018

### North Carolina

Alliance joined and helped build support for a business [letter](#) to the North Carolina legislature supporting the N.C. Energy Policy Council's recommendation to increase energy efficiency goals in the state – May 2018

### Ohio

Alliance [announced work](#) with local Ohio organizations to mobilize businesses to engage in a social media campaign – October 2018



Alliance wrote and organized two [coalition letters](#) from twelve Ohio contractors opposing efforts to weaken utility efficiency programs in the state (HB 114). Alliance also helped secure signatures (and joined) a [Ceres business letter](#) opposing efforts to weaken Ohio's efficiency standards – May 2018 & November 2018

Alliance submitted [testimony](#) to the Ohio legislature opposing Substitute HB 114 that would create special exemptions for mercantile customers to the state's energy efficiency programs – June 2018

Alliance submitted [testimony](#) to the Ohio Senate Energy and Natural Resources Committee opposing HB 114 – January 2018

Alliance sent a thank you [letter](#) Ohio Governor Kasich for his commitment to energy efficiency – January 2018

Alliance developed a [website to educate stakeholders](#) about attacks on Ohio's energy efficiency programs. The site was promoted through targeted Facebook ads and reached thousands of conservative voters in key districts throughout the state – January 2018

### Pennsylvania

Alliance submitted [comments](#) in docket on alternative ratemaking urging the Pennsylvania Public Utility Commission to take action on standby rates – October 2018

Alliance worked to help popularize proposed bipartisan legislation, the Energy Efficiency Innovation Act, (SB 1236) that will lift "cost caps" on investments in energy efficiency. The Alliance coordinated with Resource Media and Wm. J. Donovan, a sheet metal contractor involved in energy efficiency retrofits in the state, to draft an [op-ed](#) and built support for a [business letter](#) and KEEA [press release](#) about the proposal – September 2018

Alliance Director Jennifer Kefer served as expert witness in [intervention by Peoples Gas](#) in Duquesne Light Company rate case challenging proposed increase in CHP standby rates. Kefer's testimony was cited favorably in Administrative Law Judge's [recommended decision](#) – summer & fall 2018

Alliance sent a thank you [letter](#) to the Pennsylvania Public Utility Commission for its leadership on CHP policy and participated in a CHP working group throughout summer 2018 – spring & summer 2018

### Virginia

Alliance submitted a [letter](#) to the Virginia State Corporation regarding Dominion Energy's Integrated Resource Plan for 2018. Our comments emphasized the need to include CHP in the next (2020) plan – September 2018

Alliance submitted two sets of comments ([first](#) and [second](#)) to the Virginia Department of Mines, Minerals and Energy (DMME) regarding CHP, WHP, and general energy efficiency recommendations for Virginia's 2018 Energy Plan. The Alliance also organized a meeting with DMME and two separate meetings with Dominion Energy regarding the Energy Plan and Dominion's IRP. The meetings were attended by Alliance partners Washington Gas, Columbia



Gas, Veolia Energy, the DOE TAPs, ICF, and the Sterling Energy Group. – August & October 2018

Alliance provided [comments](#) on the Virginia Carbon Reduction Plan, recommending a greater role for CHP and WHP in the plan and testified at the Richmond public hearing about the plan on March 19, 2018 – April 2018

Alliance worked with member Bruce Hedman (Entropy) to place an opinion piece in Southeast Energy News (“[Edison-era energy solution plays role in Virginia’s grid modernization](#)”) – March 2018

Alliance released a [statement](#) commending Governor Northam for signing legislation into law that encourages more CHP and WHP in Virginia – March 2018

Alliance developed a CHP deployment target and, with the support of our contract lobbyists, Angie Bezik and Laura Batemen, we have educated Dominion Energy about the benefits of CHP. Following a series of meetings, Dominion committed to considering options for *both* utility ownership and third-party incentives to support the deployment of 200 megawatts of CHP and waste heat to power in its next integrated resource plan. Our [CHP amendment](#) was included in both House and Senate legislative proposals ([HB 1558/ SB 967](#)) – February 2018

Alliance worked with member Rich Sweetser (Exergy) to place a [Letter to the Editor](#) in the Fairfax Times about the potential for Virginia to generate funds to support CHP as a RGGI trading partner – January 2018

### **VIII. Communications and Case Studies**

Alliance issued a [press statement](#) endorsing the CHP Support Act on Energy Efficiency Day – October 2018

Alliance authored and placed an [op-ed](#) by ArcelorMittal in Advanced Manufacturing arguing that U.S. manufacturers should commit to energy efficiency on Energy Efficiency Day – October 2018

Alliance shared a [press release](#) about our work with Ohio companies to promote Energy Efficiency Day through a targeted social media campaign showcasing the benefits of energy efficiency – October 2018

Alliance Director, Jennifer Kefer, published an [op-ed](#) in GreenBiz on the benefits of energy efficiency for manufacturers’ bottom lines – September 2018

Alliance partnered with Cummins to author and place an [op-ed](#) in Industry Week showcasing how Cummins became a leader in energy efficiency (written by Mark Dhennin, Director of Energy & Environment at Cummins Inc.) – August 2018

Blog [post](#) about potential CHP benefits of Pennsylvania’s new Property Assessed Clean Energy (PACE) financing legislation – August 2018

Blog [post](#) about CHP resiliency and economic value in the event of natural disasters – January 2018





Blog [post](#) about the benefits of CHP deployment in hospitals – January 2018

Blog [post](#) about the value of showcasing energy efficiency jobs and engaging local partners through site tours (written by Aileo Weinmann [Resource Media] and Jennifer Kefer) – January 2018

Blog [post](#) about FERC rejecting the Department of Energy’s Grid Resiliency Pricing Proposal – January 2018

Alliance published a [profile](#) of Tilden Dickson, a member of the Sheet Metal, Air, Rail & Transportation Workers Local 359 (SMART) union in Arizona (the most recent in a [series of profiles](#)) – January 2018

## IX. Legislative Achievements

### Tax Policy Overview

On January 24, 2018, the Alliance for Industrial Efficiency [joined 68 trade associations](#) to urge Congress to adopt a tax extenders package. On February 9, 2018, the Bipartisan Budget Act of 2018 (P.L. 115-123) was enacted, including tax provisions, which among other things modified and extended the section 48 investment tax credit (ITC) for CHP and other “orphan technologies.” The ITC was extended and modified to include qualified CHP property that begins construction before January 1, 2022. This extension retroactively extended the CHP tax credit, which had expired at the end of 2016. Unlike the extensions for property that qualified for a 30% investment tax credit, the tax credit for CHP was not phased down and is not required to be placed in service before January 1, 2024 (see comparisons to fuel cell property in the table below).

Property Type	Date Construction Begins	Placed in Service Date	ITC Amount
Qualified Fuel Cell	Before 1/1/20	Before 1/1/24	30%
	1/1/20 – 12/31/20	Before 1/1/24	26%
	1/1/21 – 12/31/21	Before 1/1/24	22%
	Before 1/1/222	On or After 1/1/24	0%
	On or after 1/1/22	Not Applicable	0%
CHP	Before 1/1/22	Any	10%
	On or After 1/1/22	Not Applicable	0%

On June 12, 2018, the Alliance wrote to the Treasury Department and IRS requesting: (1) that the IRS allow construction of CHP property to be established through physical work of a significant nature and 5% safe harbor tests, similar to those established in the guidance on the beginning of construction provisions in the section 45 production tax credit (PTC); (2) a four-year continuity safe harbor period following the year in which construction begins; and (3) that the IRS provide specific examples of physical work of a significant nature concerning the construction of CHP system property and delineate a representative list of construction delays.

On June 22, 2018, the IRS issued guidance establishing the methods by which technologies could qualify for the ITC. This guidance embraces the Alliance’s recommendations. The



guidance establishes two means of beginning construction by (1) beginning physical work of significant nature or (2) meeting a 5% safe harbor. The guidance provides a four-year continuity safe harbor beginning the year following the calendar year during which construction begins. Projects that do not meet this four-year continuity safe harbor requirement may still qualify for the ITC depending on the “relevant facts and circumstances.” The guidance also provides examples of physical work of a significant nature on CHP property. These included: “the installation of a heat engine, generator, heat recovery components, or electrical interconnections.”

### Tax Policy Legislation

#### *P.L. 115-123 – Bipartisan Budget Act of 2018*

Extended the section 48 ITC for eligible non-solar technologies, including CHP, with a commence construction modification.

**Status:** Enacted on 02/09/18

#### *H.R. 4118, S. 2005 – Master Limited Partnerships Parity Act*

Master Limited Partnerships (MLPs) are investment vehicles taxed as partnerships, but whose ownership interests are trade like stock. These are currently available for traditional energy projects. The MLP Parity Act expands MLPs to include clean and renewable energy resources, including CHP and WHP.

**Status:** H.R. 4118 (Ways & Means Committee); S. 2005 (Finance Committee)

#### *[DRAFT] – Energy Sector Innovation Credit Act (Rep. Tom Reed, R-NY)*

Provides a tax credits to emerging energy technologies that reduce pollution emissions, improve energy efficiency, or reducing water consumption. Provides an investment tax credit for energy storage. Ellise Tollefson from Rep. Reed's staff joint the Alliance's strategy call to answer questions about the draft bill, which would benefit WHP technologies if passed.

**Status:** To be introduced in the 116<sup>th</sup> Congress with Alliance support

#### *[DRAFT] – Allow for Transfers of the Renewable Electricity Production Credit and the Energy Credit*

Allows the transfer of the ITC or PTC to “eligible project partners.” These include persons who: have an ownership interest, provide equipment, provide transmission or distribution services, purchase electricity, or provide financing.

**Status:** May be introduced, or added as an amendment in lame duck

### **CHP Technical Assistance Partnerships (CHP TAPs) and Department of Energy's Technical Partnership Program**

### Appropriations Overview

The Department of Energy's FY 2019 Budget request justification suggested that the CHP TAPs were at risk of losing funding in 2019. The FY 2019 budget justification proposed reducing funding for technical assistance, which includes the CHP TAPs, from \$26,500,000 to \$11,000,000—a 58-percent reduction. The justification further recommended a shift in technical



assistance programs away from deployment toward early stage research and development activities.

The Alliance advocated for continued funding of the CHP TAPs. The Senate Appropriations Committee explicitly recommended \$5,000,000 for the TAPs and \$7,000,000 for related CHP activities in its report:

The Committee recommends \$40,000,000 for the Industrial Technical Assistance program. Within this amount, the Committee recommends \$12,000,000 to provide ongoing support for the Combined Heat and Power [CHP] Technical Assistance Partnerships [TAPs] and related CHP Technical Partnership activities at the Department, including \$5,000,000 for the TAPs and \$7,000,000 for related CHP activities. The Committee also encourages the Department to prioritize research, development, and demonstration of district energy systems, and work to accelerate greater deployment of district energy systems in communities, campuses, industries, and cities nationwide by supporting adaptive regional and local technology, and market opportunities. ([S. Rept. 115-258](#), p. 74)

The House Appropriations Committee did not address the funding for the TAPs in their report.

On September 21, 2018, President Trump signed a “minibus” appropriations bill (H.R. 5895) into law, which funded Energy and Water, Legislative Branch, Military Construction, and Veterans Affairs programs for FY 2019. The Joint Explanatory Statement did not address the CHP TAPs and contained no language contravening the Senate’s recommendation. Consequently, the Senate recommendation on funding the CHP TAPs and related CHP activities at DOE stands.

### CHP TAPs Reauthorization Overview

The CHP TAPs were authorized as the “Clean Energy Application Centers” in the [Energy Independence and Security Act of 2007](#) for fiscal years 2008 – 2012. After 2012, the Obama Administration continued to provide funding for the CHP TAPs and related CHP activity under its Advanced Manufacturing Program funding. In addition to the work on annual appropriations bills, the Alliance sought to work with allies in Congress to renew and update the program’s authorization. At the urging of the Alliance, Sen. Angus King (I-ME) introduced legislation in 2017 to update the authorization for the CHP TAPs to reflect the program’s current activities.

The Alliance organized a fly-in on Capitol Hill (May 11) with representatives from the CHP TAPs and business voices (including Sterling and Wilson Cogen, the Heat is Power Association, and the National Electrical Contractors Association). To support these meetings, we [developed fact sheets](#) about the TAP’s activities in each state and region.

The Alliance subsequently worked with the staff of the House Energy & Commerce Committee to find four bipartisan sponsors to introduce the same reauthorization bill in the House of Representatives. On September 27, 2018, Rep. Adam Kinzinger (R-IL) and three bipartisan cosponsors introduced the CHP Support Act (H.R. 6949), which reauthorizes the CHP TAPs through FY2022, enumerates their responsibilities, and explicitly provides for \$12 Million in federal authorizations to support their activities. The Alliance sent a thank you letter to Representatives Kinzinger and the cosponsors on October 1, 2018. On October 5, 2018, in conjunction with Energy Efficiency Day, the Alliance organized [a letter](#) with signatures from the American Council for an Energy Efficient Economy (ACEEE), the Alliance to Save Energy, and



the American Chemistry Council to the leadership of the House Energy & Commerce Committee requesting a legislative hearing for the CHP Support Act. The Alliance also issued a [press release](#) promoting the bill and the letter and built support for this initiative through social media.

### CHP TAPs Legislation

#### *S. 2975 (S. Rept. 115-258) and H.R. 5895 – Energy and Water Appropriations*

The Senate Appropriations Committee adopted report language recommending the funding levels the Alliance sought for the CHP TAPs.

**Status:** Enacted on 09/21/18

#### *H.R. 6949 – CHP Support Act*

*Sponsor:* Rep. Adam Kinzinger (R-IL) *Cosponsors:* Reps. Peter Welch (D-VT), David McKinley (R-WV), and Paul Tonko (D-NY).

Updates the law authorizing the CHP TAPs program and extends the authorization through FY2022.

**Status:** Introduced and referred to the House Energy and Commerce; Science, Space, and Technology Committees on 09/27/18

#### *S. 2142 – CHP Support Act*

*Sponsor:* Sen. Angus King (I-ME)

Updates the law authorizing the CHP TAPs program and extends the authorization through FY2022.

**Status:** Read twice and referred to the Senate Committee on Energy and Natural Resources on 11/16/17

### **EPA CHP Partnership Overview**

The EPA's FY 2019 budget request justification proposed eliminating several sub-program projects under the Atmospheric Protection Program, including the "Combined Heat & Power Partnership" ([p. 817](#)). The Alliance [organized a coalition of 155 stakeholder businesses](#) expressing support for EPA's CHP Partnership to the leaders of the House and Senate Appropriations Committees.

The Senate Appropriations Committee included language in the report accompanying its bill funding the Interior Department and EPA that expresses the Committee's opposition to the EPA's proposed elimination of the CHP Partnership and other voluntary programs.

Further, the Committee does not support the proposed termination of voluntary programs, including Natural GasSTAR, AgSTAR, the Combined Heat and Power Partnership, and other partnership programs where EPA works collaboratively with nongovernmental entities to identify beneficial methods to reduce emissions, reduce pollution, or increase efficiency. The Committee funds both program areas related to stratospheric ozone at not less than the fiscal year 2018 enacted level. ([S. Rept. 115-276](#), p. 64-5)



The House Appropriations Committee report also expresses support for the voluntary programs to reduce emissions, but does not call out the CHP Partnership as an example. However, the report also references the committee's support for "other partnership programs" promoting energy efficiency and pollution reduction.

Further, the Committee does not support the termination of voluntary programs such as Natural GasSTAR, AgSTAR, and other partnership programs where EPA works collaboratively with nongovernmental entities to identify beneficial methods to reduce emissions, pollution, and increase efficiency. ([H. Rept. 115-765](#), p. 57)

The Interior and Environment programs are currently funded under a continuing resolution through December 7, 2018.

### **Energy and Infrastructure Policy**

The House Energy & Commerce Committee's Democratic staff requested legislative proposals for an energy and/or infrastructure bill in the next Congress to spur additional CHP and WHP deployment. In response, the Alliance developed a set of legislative priorities around existing proposals, which we shared with the Democratic and Republican House Energy & Commerce Committee staffs and the staff of the House Minority Whip, Steny Hoyer (D-MD). These recommendations have also been embraced by other efficiency advocates, including a network of efficiency businesses ("The Energy Efficiency Strategy Group"), the Business Council for Sustainable Energy, the Alliance to Save Energy, and a CHP Working Group convened by the American Council for an Energy-Efficient Economy (ACEEE). The Alliance will continue to advocate for support of these policies in 2019.

The recommendations included:

#### *S. 2142, H.R. 6949 – The Combined Heat and Power Support Act*

Updates the law authorizing the CHP TAPs program and extends the authorization through FY2022.

#### *H.R. 8, Sections 1107 and 3115 – North American Energy Security & Infrastructure Act of 2015*

*Section 1107:* Amends the Public Utility Regulatory Policies Act of 1978 (PURPA) to require electric utilities to develop resiliency plans for critical facilities.

*Section 3115:* Modifies this federal renewable energy purchase requirement to include WHP.

#### *H.R. 2479, Sections 31101, 31201 and 33301-33304 – Leading Infrastructure for Tomorrow's America Act*

*Section 31101:* Authorizes \$515 million per year (2018 – 2022) to support a competitive grant program for states, tribes, and local government to support the use of "resiliency-related technologies."

*Section 31201:* Authorizes \$200 million per year (2018 – 2022) for a financial assistance program to support grid modernization projects that improve performance and efficiency and



allow greater use of customer generation on the grid. Assistance is given to partnerships that include utilities or technology providers and universities, tribes, or state policymakers.

*Section 33301-3304 (Local Energy Supply and Resiliency Act):* Establishes DOE loan programs to support distributed energy systems (including CHP, WHP and district energy). It also provides \$250 million over 5 years for technical assistance grants.

*H.R. 4118, S. 2005 – Master Limited Partnerships Parity Act*

Master Limited Partnerships (MLPs) are investment vehicles taxed as partnerships, but whose ownership interests are trade like stock. These investment vehicles are currently available for conventional fossil energy projects. The MLP Parity Act expands MLPs to include clean and renewable energy resources, including CHP and WHP.

*S. 1460 – Federal Building Energy Intensity Improvement*

*Section 1116:* Sets a goal to reduce energy intensity in federal agency buildings by 2.5% annually through 2027, relative to a 2017 baseline.