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April 29, 2022

The Honorable Dianne Feinstein Chairwoman Energy & Water Development Senate Appropriations Committee Washington, DC 20510

The Honorable Marcy Kaptur Chairwoman Energy & Water Development House Appropriations Committee Washington, DC 20515 The Honorable John Kennedy Ranking Member Energy & Water Development Senate Appropriations Committee Washington, DC 20510

The Honorable Mike Simpson Ranking Member Energy & Water Development House Appropriations Committee Washington, DC 20515

Dear Chairwoman Feinstein, Ranking Member Kennedy, Chairwoman Kaptur and Ranking Member Simpson:

I am writing on behalf of the organizations and companies undersigned to request \$13,000,000 for Fiscal Year 2023 Energy and Water Appropriations funding for the Combined Heat and Power (CHP) Technical Assistance Partnerships (TAPs) and related CHP activities at the Department of Energy (DOE). The CHP TAPs and the supporting efforts of the DOE Advanced Manufacturing Office's Technical Assistance Partnerships save consumers money, increase economic competitiveness, strengthen our nation's energy security, and reduce harmful emissions through the use of CHP.

In FY22, the Omnibus bill signed by President Biden provides not less than \$13,000,000 in funds in support of the CHP TAPs and related activities, including not less than \$5,000,000 for the TAPs and not less than \$7,000,000 for related CHP activities (<u>Division D Explanatory Statement</u>, p. 45). The Department is directed to collaborate with industry on the potential energy efficiency and energy security gains to be realized with district energy systems. The Department of Energy's FY23 Budget Justification highlights the importance of the Advanced

Manufacturing Office's technical assistance programs in supporting the Better Climate Challenge and other stakeholder outreach efforts to encourage decarbonization and energy efficiency, as well as specifically mentioning that hydrogen and other clean fuels may be used to decarbonize CHP technologies (DOE FY 2023 Budget Request Vol. 4, p. 206-214).

With this funding, the CHP TAPs program could provide further support to accelerate the transition to decarbonized fuels and improve facility resilience against increased grid disruptions, both necessary actions to combat growing climate impacts. The CHP TAPs program could support further research and development in the following areas:

Decarbonized fuels.

- Biomethane and renewable natural gas (RNG)
 - Assess the biomethane potential for CHP for both direct use applications and for pipeline quality RNG.
 - Assess the potential for CHP in controlled environment agriculture greenhouses with CO₂ recovery for crop growth.
- Green hydrogen, blue hydrogen
 - Analysis of production, storage, and transportation capabilities, including utilization of existing gas pipeline infrastructure.
 - Assess the state of hydrogen fuel capability of CHP prime movers and identify ongoing research activities including the general nature of the research and predicted dates for the ability to run on 100% hydrogen.

CHP for resiliency.

- Resiliency for critical infrastructure, including hospitals and nursing homes, colleges and
 universities, military bases, multi-family buildings, schools, food processing and
 distribution facilities, wastewater treatment plants, lodging, police and fire stations,
 prisons, supermarkets, pharmaceutical plants, airports, data centers, and critical
 manufacturing facilities.
 - Assess CHP integration with renewable technologies, energy storage solutions, and microgrids.
 - Assess the potential for CHP to decarbonize industrial thermal loads.
 - Assess CHP deployment at multi-family buildings and public housing.
 - Assess CHP deployment at military facilities

We have benefited from this valuable program and support both its continuation and expansion to ensure developers, manufacturers, universities, hospitals, commercial buildings, public institutions, and other end users save money, reduce their energy use, lower overall emissions, and increase their reliability and resiliency in the face of extreme weather events that may compromise the grid.

CHP already provides nearly 82 gigawatts (GW) of clean and efficient power at over 4,700 facilities across the U.S. However, the remaining potential is far greater. According to a March 2016 DOE report, there is more than 240 GW of remaining potential at nearly 300,000 industrial and commercial sites spanning the country. Capturing this energy potential will lead to increased employment, a more resilient electricity grid, lower emissions, and decreased energy costs for all users.

We hope that the House and Senate Energy and Water Appropriations Subcommittees will continue to support the funding for DOE's efforts to help businesses, manufacturers, distributors, end users, and other interested parties identify opportunities and overcome barriers to CHP use.

Respectfully,

Dalkia Aegis

2G Energy Inc. DT Energy Consultants Moser Energy Systems

AB Energy USA Energy Spectrum Northeast Clean Heat and

American Gas Association FlexEnergy Solutions Power Initiative

Northeast-Western Energy

Arctic Energy, Inc. Foley CAT Systems

Blue Delta Energy Giordano Halleran & Sheet Metal and Air Ciesla PC

Capstone Green Energy Conditioning Contractors

Heat is Power Association National Association

Carter Machinery

Company Inc.

INNIO Jenbacher

Sterling Energy Group

Charles Equipment Energy Integrated Energy Tecogen

Systems Concepts Engineering Turbine Inlet Cooling

CHP-Funder Ironclad Energy Association

Clarke Energy USA Kanin Energy Vergent Power Solutions

Combined Heat and Kinsley Energy Systems Washington Gas

Power Alliance
Kraft Power Corporation

Curtis Power Solutions
Lima Company

Martin Energy Group

DE Solutions

Midwest Cogeneration

Delve Energy Group LLC Association

Digital Energy Corp. Midwest Energy Efficiency

Alliance