



# The Alliance for Industrial Efficiency

September 16, 2015

The Honorable Fred Upton  
Chairman, Committee on Energy & Commerce  
U.S. House of Representatives  
2183 Rayburn House Office Building  
Washington, DC 20515

The Honorable Frank Pallone Jr.  
Ranking Member, Committee on Energy & Commerce  
U.S. House of Representatives  
237 Cannon House Office Building  
Washington, DC 20515

Dear Chairman Upton and Ranking Member Pallone,

As the House Committee on Energy and Commerce prepares to mark up the North American Energy Security and Infrastructure Act of 2015, the Alliance for Industrial Efficiency, a coalition of business, labor and non-profit organizations, would like to thank you for including several provisions that advance industrial efficiency in the package. In particular, we support strongly the proposed expansion of the definition of eligible renewable energy sources in Section 203(b)(2) of the Energy Policy Act of 2005 to include waste heat resources (as reflected in Sec. 4114 of the House energy package). We further thank you for recognizing the important role that combined heat and power (CHP) and waste heat to power (WHP) can play in making our energy infrastructure more resilient (Sec. 1107(a) – “STATE CONSIDERATION OF RESILIENCY AND ADVANCED ENERGY ANALYTICS TECHNOLOGIES AND RELIABLE GENERATION.”). Finally, we urge the Committee to reject any amendments that would compromise the ability of CHP hosts to sell their power to the grid through the Public Utility Regulatory Policies Act of 1978 (PURPA).

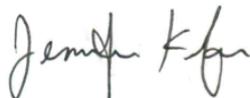
By expanding the list of eligible renewable energy sources under the Energy Policy Act, the House energy package will enable the federal government to take advantage of opportunities to install WHP technology to satisfy federal purchase requirements. This is appropriate because WHP can produce electricity with no incremental fuel or emissions. Indeed, 17 states already recognize WHP as a renewable energy source in their state portfolio standards.<sup>1</sup> Accordingly, it is appropriate for the federal government to recognize its benefits as well.

As Alliance Steering Committee member, Veolia Energy explained in testimony before the House Subcommittee on Energy and Power this spring,<sup>2</sup> CHP can enable critical facilities to remain fully operational during extreme weather events that might compromise the grid. These benefits were on display when Superstorm Sandy hit New York City in 2012. Indeed, while the NYU Langone Medical Center lost power, the NYU main campus was able to keep the lights on due to its 13 MW CHP system. Sec. 1107(a) of the House energy package will encourage continued development of such infrastructure.

We further understand that there is language under consideration that would require FERC to hold a Technical Conference on PURPA. We are concerned that such a conference might limit PURPA's applicability, with negative ramifications for CHP deployment. We also believe a Technical Conference is unnecessary because Federal Energy Regulatory Commission (FERC) is free to re-visit any aspect of PURPA implementation if it cares to do so. For more than three decades, PURPA has helped create a cleaner and more efficient American energy portfolio. Providing an opportunity for CHP opponents to limit its application could lead to changes that weaken manufacturing competitiveness, worsen America's energy dependence, and increase emissions of harmful air pollutants. Accordingly, we urge the Committee to reject any provisions that would provide this opportunity by requiring a FERC Technical Conference or by requiring the agency to examine PURPA implementation.

We thank you for your leadership and look forward to working with the House Energy and Commerce Committee as the Energy Package moves forward.

Sincerely,



Jennifer Kefer  
Executive Director, Alliance for Industrial Efficiency

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<sup>1</sup> Catalog of States in Which Waste Heat to Power is Provided Incentives in Renewable Energy and Energy Efficiency Policies and Programs, The Heat is Power Association, November 2014.

<sup>2</sup> Testimony of Elinor Haider Vice President, Market Development, Veolia Energy North America On Behalf of the Alliance for Industrial Efficiency Hearing on "Keeping the Lights On" House Committee on Energy and Commerce Subcommittee on Energy and Power, May 19, 2015

(<http://www.dgardiner.com/wp-content/uploads/2015/05/Written-Testimony-of-Elinor-Haider-Veolia-5.19.15-FINAL.pdf>).