

# The Alliance for Industrial Efficiency

The Honorable Shaun Donovan  
U.S. Department of Housing and Urban Development  
451 7th Street S.W.  
Washington, DC 20410

August 22, 2013

Dear Mr. Secretary:

The Alliance for Industrial Efficiency commends the Hurricane Sandy Rebuilding Task Force for recognizing the benefits of combined heat and power (CHP) in its Rebuilding Strategy. As the Task Force recognizes, CHP plays a critical role in diversifying our nation's energy infrastructure and enhancing resiliency during extreme weather events. We appreciate your role in ensuring that CHP was considered during these discussions.

We were gratified to see CHP success stories highlighted in your report and by the Rebuilding Task Force's commitment to expanding the use of this technology in disaster-prone regions. We appreciate that CHP was identified as a way to "ensure that Sandy recovery energy investments are resilient." We are also pleased to see that distributed generation, and CHP specifically, is included as part of the Task Force's recommendation to "encourage Federal and State cooperation to improve electric grid policies and standards."

As you know, CHP is a proven and efficient method for generating electricity and thermal energy. In the wake of Hurricane Sandy, more than eight-million people along the eastern seaboard lost power, but communities, institutions, hospitals and businesses that made investments in CHP generation systems kept the lights and heat on, created refuges for residents, and maintained necessary operations. Because CHP systems are typically able to operate independent of the grid, they can provide heat and light even when central power sources are disrupted.

CHP already produces eight percent of U.S. electric capacity; however, the potential is far greater. In fact, the Oak Ridge National Laboratory projects that CHP could provide 20 percent of U.S. electric capacity. Such full-scale deployment of CHP could create up to one-million jobs and attract \$234 billion in private investment, while reducing the disruptive effects of extreme weather events. One year ago, the Administration took a first step to challenge the nation to realize this potential by issuing an Executive Order (EO 13624) establishing a goal of increasing CHP deployment by 50 percent (40 gigawatts) by the year 2020. By including CHP as part of its rebuilding recommendations, the Task Force will help our nation realize this goal. In doing so, the Task Force has helped to lower energy costs, improve grid security, lower harmful emissions, and create jobs.

In sum, we thank you for your leadership and greatly appreciate the work of the Task Force on this important matter. We look forward to further opportunities to discuss this issue.

Sincerely,



David Gardiner  
Executive Director  
Alliance for Industrial Efficiency