## The Alliance for Industrial Efficiency

## Alliance Statement on the Proposed New Source Performance Standards for Greenhouse Gas Emissions from New Fossil Fuel-Fired Electric Generating Units

WASHINGTON, DC (May 9, 2014) – The Alliance for Industrial Efficiency issued the following statement from Executive Director David Gardiner upon <u>filing comments</u> on the Environmental Protection Agency's (EPA) Proposed New Source Performance Standards (NSPS) for Greenhouse Gas (GHG) Emissions from New Fossil Fuel-Fired Electric Generating Units:

"The Alliance for Industrial Efficiency commends EPA for including incentives for combined heat and power (CHP) in its proposed rules for new power plants. Energy efficiency – including CHP – offers a vast, cost-effective resource to both lower emissions and increase competitiveness.

"By proposing emission limits for new power plants that are based on a unit's useful output, rather than fuel consumption, the proposed rule rewards facilities that have the highest output of energy and the lowest output of pollutants. Such output-based standards are the only way to capture the total efficiency provided by producing electricity and thermal load from a single source. This output-based emission standard continues EPA's efforts to reverse the history of discriminating against energy efficiency and CHP.

"The Alliance further appreciates EPA's recognition of the benefits of combined heat and power, which can produce electricity with only one-half the carbon emissions of the separate generation of heat and power. By crediting both the thermal energy and electricity from these systems, EPA takes an important step in encouraging investments in this clean-energy technology. As the rule moves forward, however, we urge EPA to strengthen this incentive by recognizing the full (100%) thermal output from CHP systems.

"This rule sets an important precedent as EPA prepares to regulate greenhouse gas emissions from existing power plants. We are encouraged by provisions in the proposed rule that support energy efficiency and are hopeful that the existing source rule will likewise embrace a meaningful and cost-effective standard by supporting the full range of options that are available to reduce emissions from the power sector."

Full Comments available online here.

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