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Diverse Organizations Join in Support of Inclusion of Industrial Efficiency in EPA's Greenhouse Gas Rule

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WASHINGTON D.C. (October 27, 2014) A diverse network of industry, labor and energy efficiency organizations submitted <u>comments</u> today praising the Environmental Protection Agency (EPA) for giving states the flexibility to consider emissions reductions from combined heat and power (CHP) and waste heat to power (WHP) at universities, hospitals and factories in their greenhouse gas compliance plans. The organizations highlighted the economic, reliability and environmental benefits of these technologies and called on EPA to strengthen the rule to capture their full potential.

"Our organizations have different missions and different views about regulating greenhouse gases. But we all agree that CHP and WHP should play a key role in this rule," explained Jennifer Kefer of the Alliance for Industrial Efficiency. "Our diverse groups are speaking in one voice to tell EPA and the states that will ultimately have to implement the rule that these technologies should be at the center of their plans to reduce carbon pollution and create jobs."

CHP and WHP are proven, cost-effective tools to reduce emissions. By producing both heat and power from a single fuel source (CHP) and by capturing otherwise wasted heat from industrial processes to generate additional electricity (WHP), CHP and WHP dramatically lower energy use and associated emissions. "Greater efficiency translates to lower emissions and less money that energy-intensive companies – like paper and steel mills, food processing and chemical plants – need to spend on energy. In this way, CHP and WHP can ease a major transition in the nation's electricity sector," added Roxanne Brown, with the United Steelworkers.

The groups highlighted the significant potential of CHP and WHP to provide clean electricity. Today, CHP provides roughly 8 percent of our potential electricity in the United States. Last year, the <u>American Gas Association found</u> that there are more than 40 gigawatts of CHP projects that could be constructed with less than a 10-year payback period. "This offers states an excellent, cost-effective opportunity to achieve the emission reductions called for in the proposed rule. We urge EPA to make it clear to states that state plans can use CHP as part of a portfolio of options for achieving CO_2 reductions," said Pam Lacey with the American Gas Association.

In fact, a recent report by the American Council for an Energy-Efficiency Economy (ACEEE) demonstrates just that, finding that the rule could support deployment of 20 gigawatts of new CHP projects around the country. "<u>Our analysis</u> demonstrates that CHP is a key part of a package of energy-efficiency investments that can collectively allow the country to achieve its emission targets at no net cost to the economy," ACEEE's Sara Hayes provided.

The proposed Clean Power Plan provides flexibility for states to look outside the walls of the utility to reduce emissions. EPA should strengthen the final rule to fully encourage the use of CHP and WHP. It can do this by telling states that these technologies can help them meet their emission targets and – where large systems are covered by the rule – making sure that all of their benefits are accounted for.