



April 23, 2015

The Honorable Jeanne Shaheen
520 Hart Senate Office Building
Washington, DC 20510



Dear Senator Shaheen:

The undersigned businesses, labor, and environmental organizations are committed to encouraging the use of Combined Heat and Power (CHP) and Waste Heat to Power (WHP) to enhance U.S. manufacturing competitiveness, increase energy efficiency, and improve the environment. We write to thank you for your work on the forthcoming Heat Efficiency through Applied Technology Act ("HEAT Act"). Your bill will help overcome regulatory barriers that have prevented CHP and WHP from reaching their full potential. We look forward to working with you in the coming months to see that this important legislation is enacted into law.



CHP and WHP provide a clean and efficient source of homegrown energy that can help make U.S. manufacturers more competitive. By generating both heat and electricity with a single fuel source, CHP is significantly more efficient than the conventional separate generation of heat and power. By capturing waste heat from existing industrial processes, WHP can generate additional electricity with no incremental emissions. Combined, these technologies offer significant economic, resiliency, and emission benefits to the nation's factories, hospitals and universities. In 2012, the Department of Energy and EPA found that as much as 130 Gigawatts of clean and efficient CHP technical potential remains in the commercial and industrial sectors. That same year, EPA estimated that an additional 15 Gigawatts of clean power could be produced using WHP. Yet, a variety of regulatory hurdles have prevented these technologies from reaching their full potential.



The HEAT Act takes a critical step toward reducing these hurdles by requiring the Department of Energy and Federal Energy Regulatory Commission (FERC) to develop materials to identify best practices for interconnection procedures and supplemental, backup and standby power fees. It further provides resources to help states develop environmental regulations that recognize the benefits of energy efficiency. This bill does not mandate that states adopt any new regulations, but instead provides important tools that states can choose to use to help overcome historic barriers to efficiency. These regulatory tools will help increase customer choice by giving potential CHP and WHP hosts the ability to produce their own energy.



The Department of Energy has long recognized interconnection, standby fees and tariffs, and environmental permitting as issues that could be streamlined to encourage greater CHP and WHP deployment. The HEAT Act takes an important step in this direction. In so doing, this bill will spur investments in





manufacturing competitiveness within the steel, aluminum, glass, chemical, and other energy-intensive industries. What's more, because CHP projects can operate independent of the grid, this legislation will help America's factories, hospitals, and universities "keep the lights on" during extreme weather events.

We appreciate your efforts to support American manufacturing competitiveness. Our businesses and organizations support The Heat Act and look forward to working with your office to help it to become law.

Sincerely,

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