



The Alliance for Industrial Efficiency

June 17, 2015

Chief Clerk
North Carolina Utilities Commission
Dobbs Building
430 North Salisbury Street
4325 Mail Service Center
Raleigh, NC 2769904325

Re: NC Sustainable Energy Association's Request for Declaratory Ruling on Meaning of N.C.G.S. § 62-133.9 and NCUC Rule R8-67 and, If Necessary and Appropriate, a Rulemaking to Clarify NCUC Rule R8-67 (NCUC Docket No. E-100, Sub 113).

Honorable Chairman and Commissioners,

The Alliance for Industrial Efficiency is writing to express its support for the North Carolina Sustainable Energy Association's (NCSEA) request that the Commission issue a ruling affirming that new topping cycle combined heat and power (CHP) system does indeed qualify as an "energy efficiency measure" under North Carolina law. States as diverse as Massachusetts, Connecticut, Maryland, Illinois and Ohio have specifically included topping cycle CHP as eligible technologies in their energy efficiency programs and established policies to promote its adoption.

The Alliance is a diverse coalition representing the business, environmental, labor, and contractor communities and is committed to enhancing manufacturing competitiveness, reducing emissions, and improving electric reliability through the use of combined heat and power (CHP) and waste heat to power (WHP). Our national membership includes electrical and sheet metal contractors, including more than 20 contractors and businesses based in North Carolina alone. Among these are Stromberg Metal Works in Raleigh, the largest sheet-metal firm in the country; McKenny's in Charlotte, the largest mechanical contracting firm on the East Coast; and K-Flex USSA, LLC in Youngsville. North Carolina currently has 72 CHP sites, generating 1,555 megawatts of clean and efficient power.¹ Additionally, it is estimated that North Carolina has 4,402 megawatts of technical and commercial potential.²

¹ U.S. DOE Combined Heat and Power Installation Database, <https://doe.icfwebservices.com/chpdb/state/PA>.

² Bruce Hedman, Anne Hampson, and Ken Darrow, American Gas Association, *The Opportunity for CHP in the United States*, May 2013. https://www.aga.org/sites/default/files/legacy-assets/Kc/analyses-and-statistics/studies/efficiency_and_environment/Documents/The%20Opportunity%20for%20CHP%20in%20the%20United%20States%20-%20Final%20Report.pdf.

The Alliance believes that NCSEA's position that new topping cycle CHP systems ought to qualify as energy efficiency measures is a reasonable interpretation of the statute and that this ruling will have a beneficial impact on promoting energy-efficiency and cost savings for North Carolina's industrial and commercial sectors.

Sincerely,

A handwritten signature in black ink that reads "Jennifer Kefer". The signature is written in a cursive, flowing style.

Jennifer Kefer, Director
Alliance for Industrial Efficiency