

The logo for The Alliance for Industrial Efficiency features a stylized blue outline of a building with three vertical columns and a horizontal line above them. To the right of this graphic, the text "The Alliance for" is stacked above "Industrial Efficiency" in a blue, sans-serif font.

# The Alliance for Industrial Efficiency

Sept. 25, 2015

The Honorable Scott Peters  
1122 Longworth House Office Building  
Washington, D.C., 20515

Dear Congressman Peters,

I am writing on behalf of the Alliance for Industrial Efficiency, a diverse coalition that includes representatives from the business, environmental, labor, and contractor communities. We are committed to enhancing manufacturing competitiveness, improving electric reliability, and reducing carbon emissions through increased industrial efficiency, particularly from greater use of combined heat and power (CHP) and waste heat to power (WHP). We thank you and support your efforts to enhance the energy security and reliability of our armed forces through the Department of Defense Energy Security Act of 2015 (DODESA). In particular, we support the provisions in section eight of the bill.

Section eight of DODESA includes provisions that will improve our military's access to more reliable and cleaner energy. It "establish[es] a program to develop and support projects designed to foster secure and reliable sources of energy for military installations," with attention paid to waste heat, renewable combined heat and power, and combined heat and power systems. By integrating distributed generation resources into military bases' energy infrastructure, this bill will serve to strengthen our military's mission readiness and enhance grid reliability. Currently, there are 45 CHP systems at military bases around the country with a total capacity 757 MW.<sup>1</sup> This bill would increase the level of CHP deployment throughout the country, helping our military bases keep the lights on during extreme weather events.

Between 2003 and 2012, there were an estimated 679 widespread power outages due to severe weather in the United States. These outages are estimated to have cost the nation an average of \$18 billion to \$33 billion annually.<sup>2</sup> US military bases are dependent upon the same fragile electric grid system and likewise incur costs when the grid goes down. Because a CHP system can operate independent of the grid, bases with CHP systems can remain fully operational during such outages. We witnessed these benefits during Superstorm Sandy, when a 10 MW CHP system enabled Sikorsky Aircraft in Connecticut to remain operational, provide its 9,000 employees with food and amenities, and fly food and flashlights to area hospitals during the storm.<sup>3</sup>

CHP and WHP can also help cut costs and reduce emissions for our armed forces. In fact, almost two-thirds of energy inputs are lost in conventional power generation. By producing both heat and electricity from a single fuel source, a CHP system can operate at upwards of 70-percent efficiency. A WHP captures wasted heat to generate electricity with no incremental emissions. These efficiency gains translate to cost savings. Sikorsky Aircraft's CHP system generates \$6.5 million in annual energy

---

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

<sup>2</sup> Economic Benefits of Increasing Electric Grid Resilience to Weather Outages, Executive Office of the President, August 2013. [http://energy.gov/sites/prod/files/2013/08/f2/Grid%20Resiliency%20Report\\_FINAL.pdf](http://energy.gov/sites/prod/files/2013/08/f2/Grid%20Resiliency%20Report_FINAL.pdf).

<sup>3</sup> NRDC Issue Paper, April 2013, "Combined Heat and Power Systems: Improving the Energy Efficiency of Our Manufacturing Plants, Buildings, and Other Facilities," at 5. <http://www.nrdc.org/energy/files/combined-heat-power-IP.pdf>.

savings.<sup>4</sup> By requiring DOD to develop quantifiable metrics to measure the costs of these clean-energy investments against the potential costs and risks associated with a sustained loss of power, section 8 of DODESA will ensure that these economic benefits are recognized. Moreover, by supporting Energy Savings Performance Contracts, Power Purchase agreements, and Enhanced Use Leasing agreements, DODESA supports the tools that can be used to finance these clean-energy projects.

Thank you for your continued support for clean and reliable energy and your commitment to enhancing the energy security and electric reliability of our armed forces. The Alliance wholeheartedly supports section 8 of DODESA and looks forward to working with you as this bill moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Jennifer Kefer". The signature is fluid and cursive, with the first name "Jennifer" written in a larger, more prominent script than the last name "Kefer".

Jennifer Kefer, Director  
Alliance for Industrial Efficiency

---

<sup>4</sup> *Id.*