



# The Alliance for Industrial Efficiency

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WASHINGTON (Oct. 23, 2015) – Today, the U.S. Environmental Protection Agency published the [final rule](#) for existing power plants. This regulation sets ambitious carbon emission limits and gives states flexibility to determine how to achieve them including the use of industrial energy efficiency technologies such as combined heat and power (CHP) and waste heat to power (WHP).

“The Alliance for Industrial Efficiency is pleased that EPA heard our industry’s comments and is encouraging industrial efficiency as a compliance option,” said Jennifer Kefer, Director of the Alliance for Industrial Efficiency. “The Clean Power Plan will make manufacturers more competitive, support new jobs, improve grid reliability, and cut electricity costs for all ratepayers. It is commonsense that companies that use less energy to produce iron, steel and paper will save money on their electric bills. Through this rule, states can help manufacturers save as much as 50 percent on energy costs, giving them new resources to increase productivity and innovation. Governors should seize this opportunity and include CHP and WHP in their plans.”

Conventional power generation is inefficient. Two-thirds of the energy used to generate electricity is lost as wasted heat. Additional energy is lost in transmission while moving power through lines from the central power plant to end users. By producing both thermal energy and electricity from a single fuel source, a CHP system operates at efficiency levels exceeding 70 percent. And WHP facilities capture otherwise wasted heat from industrial processes to generate electricity with no incremental emissions.

“The opportunity for deployment at the nation’s hospitals, universities, and factories is significant. Research shows CHP projects could generate nearly as much power as 250 new power plants,” notes Stan Kolbe, Director of Government Affairs for the Sheet Metal & Air Conditioning Contractor’s National Association (SMACNA), an Alliance Steering Committee member. “By including CHP in their plans, states will create jobs in the design, construction, installation, and maintenance of equipment.” According to DOE, if CHP provided 20 percent of U.S. electric capacity (up from 12 percent today), it could support one-million new jobs.

“States can strengthen the reliability of all of their electricity customers by including CHP in their compliance plans,” notes Elinor Haider, Vice President of Market Development at Veolia North America, one of the nation’s largest CHP developers and Alliance Steering Committee Member.

“Because CHP systems can operate independent of the grid, they are more resilient, remaining online during extreme weather events that can lead to power outages. We

witnessed the benefits firsthand during Superstorm Sandy in October 2013. While nearly eight-million residents across the Mid Atlantic lost power, the CHP system we helped implement kept the lights on at New York University and allowed the University to serve as a place of refuge during the storm,” Haider recalls.

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*The Alliance is a diverse coalition of business, labor, and non-profit organizations that advocate for policies that increase U.S. manufacturing competitiveness through industrial energy efficiency, especially the use of CHP and WHP.*