



Updated Report Highlights Economic Opportunity to Advance Combined Heat and Power through New Environmental Rules

CONTACT: Jennifer Kefer, Vice President, DGA
202-365-2194
Jennifer@dgardiner.com

Bruce Hedman, Technical Director, IIP
202-697-9358
bruce.hedman@iipnetwork.org

WASHINGTON (April 20, 2016) – EPA’s new greenhouse gas rule for existing power plants creates an opportunity for manufacturers to make new investments in industrial efficiency. Manufacturers can help states comply with the Clean Power Plan for clean energy by using combined heat and power (CHP) technology, says an updated report published today by [David Gardiner & Associates](#) (DGA) and the [Institute for Industrial Productivity](#) (IIP). DGA and IIP published the template and report (“[Combined Heat and Power \(CHP\) as a Compliance Option under the Clean Power Plan](#)”) to help states reduce greenhouse gases under EPA’s Clean Power Plan, which was finalized last summer and will ultimately reduce CO₂ emissions by 32 percent from 2012 levels by 2030.

“Under conservative estimates, nearly \$20-billion could be changing hands each year under allowance or emissions credit trading schemes created under the rule. These funds could be used to fund compliance measures, including CHP. Manufacturers should work with state policymakers to make sure that their investments are credited – and encouraged – in the process,” says Jennifer Kefer, Vice President at David Gardiner & Associates and one of the report’s co-authors.

If implemented in its current form, and if supporting programs are properly designed and structured as part of state compliance plans, the Clean Power Plan could provide a powerful new driver to advance the deployment of CHP. CHP is an important option for states to consider in developing strategies to reduce emissions and meet their targets under the Clean Power Plan. While actual plans will vary dependent upon state-specific factors and determinations, David Gardiner & Associates and the Institute for Industrial Productivity have developed a Template to provide the tools and methodology that states will need to begin the process. This updated report has been modified to reflect changes EPA made between the proposed and final rule and adds a detailed appendix on measuring and verifying benefits from CHP projects.

“CHP holds tremendous promise as a way to reduce greenhouse gas emissions, while simultaneously making U.S. manufacturers more competitive; lowering electric bills; and creating jobs in the design, construction, installation and maintenance of equipment,” says report co-author, Bruce Hedman, Technical Director at the Institute for Industrial Productivity.

EPA has set state targets and states will develop plans to meet them. CHP can readily be included in state strategies to comply with the Clean Power Plan. “CHP offers a proven, cost-effective approach to help facilities lower emissions. This template provides guidance to states about how they can include it in state plans and measure and verify emission reductions from CHP projects,” says Hedman.

By producing both heat and electricity from a single fuel source, CHP offers significant energy savings and carbon emissions benefits over the separate generation of heat and power, with a



typical unit producing electricity with one-half the emissions of conventional generation. These efficiency gains translate to economic savings and enhanced competitiveness for CHP hosts, and emissions reductions for the state. Today, CHP represents 8 percent of electric capacity in the United States (and provides 12 percent of total power generation). Projects already exist in all 50 states, but significant technical and economic potential remains. CHP offers a tested way for states to achieve their emission limits while advancing a host of ancillary benefits.

Read the report [online here](#).

##

David Gardiner and Associates is a strategic advisory firm focused on climate change, clean energy, and sustainability. DGA helps its clients develop their strategies, conduct research and analysis, and improve their communications through its writing expertise, partnership building, and advocacy.

The Institute for Industrial Productivity is an independent non-profit organization whose role is to accelerate the uptake of industrial energy efficiency practices by partnering with both industry and governments. It is the only global organization solely dedicated to helping reduce industrial energy use to mitigate climate change and address other relevant environmental issues.