



The Alliance for Industrial Efficiency

The Honorable Allyson Schwartz
U.S. House of Representatives
1227 Longworth HOB
Washington, DC 20515

June 19, 2014

Dear Representative Schwartz,

We write to thank you for introducing the Power Efficiency and Resiliency (POWER) Act, which will significantly increase the amount of industrial energy efficiency in the United States by making the investment tax credit (ITC) for combined heat and power (CHP) more effective and adding waste heat to power (WHP) to the qualifying list of technologies. This important piece of bipartisan legislation will make American manufacturers more competitive, create jobs, and enhance the reliability of our electric infrastructure by encouraging greater use of efficient combined heat and power (CHP) and clean waste heat to power (WHP). The nation's industrial sector is the engine for wealth creation and economic growth, and manufacturing investments benefit the entire economy as each industrial job supports three jobs elsewhere. By providing a tax credit for clean-energy investments, the POWER Act recognizes the key role that the industrial sector plays in the U.S. economy.

WHP, which uses the waste energy associated with various industrial processes to create emissions-free and clean power, now receives no tax benefits, and CHP obtains only a 10-percent investment tax credit for the first 15 megawatts of a project limited to 50 megawatts in size. This important legislation ensures that the existing tax credit extends to WHP, removes the size and capacity constraints for the CHP tax credit, and makes the credit more robust by providing greater incentives to these projects.

In today's global economy, American manufacturing must be as productive and efficient as possible. An expanded investment tax credit for clean-energy technologies would spur investments in manufacturing competitiveness within the steel, aluminum, glass, chemical, and other energy-intensive industries. These policies would encourage near-term, shovel-ready projects that create and maintain thousands of jobs within those industries as well as in the manufacturing, installation, and operation of CHP and WHP equipment. Because these projects can operate independent of the grid, they ensure that America's factories, hospitals, and universities can "keep the lights on" during extreme weather events. Because CHP and WHP projects require less fuel than conventional power generation, they also dramatically lower emissions.

This legislation provides a key incentive for investing in industrial efficiency. In August 2012, the Administration set a goal to increase deployment of combined heat and power by 50 percent (40

gigawatts) by 2020. Analysis confirms that the technical potential is more than three times that amount. The POWER Act provides critical incentives to help jumpstart these investments.

We appreciate your efforts to support American manufacturing competitiveness. The Alliance for Industrial Efficiency supports the POWER Act and looks forward to working with your office to help it to become law.

Sincerely,

A handwritten signature in blue ink that reads "David Gardiner". The signature is fluid and cursive, with the first name "David" being more prominent than the last name "Gardiner".

David Gardiner, Executive Director
Alliance for Industrial Efficiency