



The Alliance for Industrial Efficiency

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WASHINGTON (Sept. 11, 2015) – Today, fifteen energy-efficiency, environmental, labor, and business organizations urged Governors to capitalize on the largely untapped potential of industrial energy efficiency (IEE) and combined heat and power (CHP) to help states meet greenhouse gas reduction targets under the Clean Power Plan.

“The signatories represent businesses and organizations with diverse missions and positions about the Clean Power Plan; however, they are united in their recognition that industrial efficiency delivers environmental and economic benefits,” said Jennifer Kefer, Director of the Alliance for Industrial Efficiency and organizer of the coalition letter. “Industrial efficiency will make manufacturers more competitive by reducing their energy costs, supporting jobs, improving grid reliability, and cutting electricity costs for all ratepayers. Governors should seize this opportunity to strengthen America’s manufacturers by including industrial efficiency in their plans.”

By making the industrial sector more efficient, manufacturers can slash the energy needed to make their products and operate their facilities. This energy savings also offers significant emission benefits. Combined heat and power (CHP), which generates both thermal energy and electricity from a single fuel source, can produce electricity with roughly one-quarter the emissions of an existing coal power plant. Waste heat to power (WHP) can generate electricity with no additional fuel and no incremental emissions. Due to its scale, a single IEE investment can achieve significant emission reductions.

“Because of the associated emission benefits, the Environmental Protection Agency repeatedly recognized the potential role of industrial efficiency as a cost-effective compliance mechanism for states – even going so far as to include guidance for measuring its emissions benefits in the final rule,” explains Dick Munson, Director of the Midwest Clean Energy Project for the Environmental Defense Fund.

“The opportunity for deployment at the nation’s hospitals, universities, and factories is significant. Research by DOE’s Oak Ridge National Laboratory shows CHP 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). “By including CHP in their plans, states will create jobs in the design, construction, installation, and

maintenance of equipment.” If CHP provided 20 percent of U.S. electric capacity (up from 12 percent today), it could support one million new jobs, according to DOE.

“These industrial energy-saving opportunities are available throughout the nation, but will be particularly important in states with a heavy manufacturing base like Ohio, where the industrial sector represents roughly one-third of the state’s energy use,” add Trish Demeter, Managing Director of the Ohio Environmental Council.

“Energy efficiency is the cheapest, fastest, and most readily available path for states looking to achieve substantial emissions reductions, while maintaining affordable and reliable power for all their citizens,” said Neal Elliott, Research Director for the American Council for an Energy-Efficient Economy. “IEE is among the lowest cost energy-efficiency available, so should form the foundation of states’ emissions reduction plans.”

The letter was accompanied by a briefing packet offering key sources and background to help implement its recommendations. Click [here](#) to access an interactive map with links to the state letters. The briefing packet is available online [here](#).

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