



March 1, 2012

The Honorable Jeff Bingaman
Chairman, Senate Energy and Natural Resources Committee
703 Hart Senate Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

As you know, USCHPA is a trade association whose members are leaders in combined heat and power (CHP) technologies.¹ Our membership includes manufacturers, developers, and suppliers who seek sound clean energy policy and marketplace solutions that will facilitate deployment of CHP systems in the U.S. On behalf of the CHP industry, I am writing to commend you for introducing legislation to establish a national Clean Energy Standard (CES) that aptly recognizes the energy and environmental benefits of CHP and effectively incentivizes greater deployment of combined heat and power in the American marketplace.

USCHPA supports the overall policy objectives behind the CES, such as reducing emissions of greenhouse gasses and other emissions, creating new innovation and manufacturing opportunities, and increasing the overall energy efficiency of the American economy. Greater deployment of CHP has the potential to greatly contribute to all of these objectives. For instance, the Oak Ridge National Laboratory estimated in a 2008 study that if the United States adopted high-deployment policies to achieve 20 percent of generation capacity through CHP by 2030, it could save 5.3 quadrillion BTU of fuel annually—nearly equivalent to the total energy consumed by U.S. households. In addition, such policies would create \$234 billion in cumulative investment, and create over one million high-skilled technical jobs.²

In particular, USCHPA is pleased that greater efficiencies under the proposed CES will be awarded with greater credit. CHP system efficiencies average above sixty-five percent, and many new systems achieve efficiencies above eighty percent. In addition, we appreciate that the clean energy standard recognizes the thermal benefits of CHP by making additional credits available under the CES for emissions avoided from not using a separate thermal source.

Thank you for your continued support of CHP and for your leadership toward establishing a cleaner, more efficient economy. The members of USCHPA and I look forward to working with you as the legislation advances through Congress.

Sincerely,

Jessica H. Bridges, CAE IOM
Executive Director

¹ Combined heat and power systems include waste heat recovery, or “bottoming-cycle” CHP systems.

² U.S. Department of Energy, Oak Ridge National Laboratory. December 1, 2008. *Combined Heat and Power: Effective Energy Solutions for a Sustainable Future*. <http://info.ornl.gov/sites/publications/files/Pub13655.pdf>