



**UNITED STATES CLEAN
HEAT & POWER ASSOCIATION**

March 21, 2011

Majority Leader Harry Reid
United States Senate
Washington, DC 20510

Minority Leader Mitch McConnell
United States Senate
Washington, DC 20510

Assistant Majority Leader Richard Durbin
United States Senate
Washington, DC 20510

Assistant Minority Leader Jon Kyl
United States Senate
Washington, DC 20510

Chairman Daniel K. Inouye
Committee on Appropriations
United States Senate
Washington, DC 20510

Vice Chairman Thad Cochran
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Senators:

Last month the House of Representatives, as part of H.R. 1, the Continuing Resolution, voted to drastically cut funding for the Department of Energy's office of Energy Efficiency and Renewable Energy (EERE). As Congress continues negotiations on the House passed Continuing Resolution, we strongly urge you to reject the bill's cuts in energy efficiency programs which will have a devastating impact on programs that support combined heat and power (CHP) and waste heat-to-power (WHP) technologies. Were these cuts to be enacted, they would considerably harm deployment, R&D and education initiatives for these clean energy technologies, negatively impacting our energy security and the environment.

USCHPA is a trade association whose membership includes manufacturers, suppliers, and developers of combined heat and power (CHP) and waste heat-to-power (WHP) systems. **CHP and WHP lower demand on the electricity delivery system, reduce reliance on traditional energy supplies, make businesses more competitive by lowering their energy costs, reduce greenhouse gas and criteria pollutant emissions, and refocus infrastructure investments toward next-generation energy systems.** Already harnessed by many large industrial, commercial, and institutional facilities, CHP is a proven and effective energy resource that can be immediately deployed to help address current and future global energy needs by incorporating commercially available and domestically produced technology.

The proposed cuts in H.R. 1 include a \$768 million cut to the Department of Energy's (DOE) Energy Efficiency and Renewable Energy (EERE) program, more than one-third of the fiscal year's total program budget. This is especially significant given that these cuts would have to be absorbed over the last six months of the fiscal year. **More importantly, the cuts would potentially cripple DOE programs that are vital to combined heat and power and waste heat-to-power systems.**

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EERE's budget supports the work of the Industrial Technologies Program (including the Clean Energy Regional Application Centers) and Building Technologies Program, which provide critical support for research and development, consumer education, and deployment activities that encourage the proliferation of energy efficient CHP and WHP systems in industrial, commercial, and residential applications in the U.S - thereby driving economic growth and job creation in multiple economic sectors.

A recent study released by Oak Ridge National Laboratory indicated that ramping up CHP to account for 20 percent of U.S. electricity capacity by 2030— a level several European and Asian countries have already exceeded —would reduce CO2 emissions by more than 800 million metric tons (MMT) per year, equivalent to the CO2 savings of taking 154 million cars off the road. In this 20 percent scenario, more than 60 percent of the projected economy-wide increase in CO2 emissions between now and 2030 could be avoided. The report also indicated that achieving the 20 percent mark, cumulatively through 2030, would generate **\$234 billion in new investments and create nearly 1 million new, highly skilled, technical jobs throughout the United States.**

Much needs to be done to reach these goals.

EERE's CHP programs have provided proven results in advancing CHP and WHP technologies to reduce GHGs that cause global warming. Funding for the remainder of FY 2011 must be maintained to ensure continued technology development to maximize efficiency in CHP and WHP components - engines, industrial gas turbines, microturbines, and fuel cells - as well as to maximize fuel flexibility for CHP systems for both fossil and bio-derived fuels. In addition, critical market support initiatives including evaluation and demonstration of CHP/WHP systems, as well as initiatives that support commercialization of new and improved systems would be negatively affected by the proposed cuts to EERE.

What is more, the proposed EERE cuts would affect funding for the Clean Energy Regional Application Centers (RACs). **Support for the RACs is critical** for raising awareness of CHP and WHP potential in key markets, reforming policies, reducing regulatory barriers, and addressing consumer issues that impede the deployment of CHP and WHP systems. With a presence in all 50 states, the RACs help DOE coordinate and leverage efforts of other CHP/WHP stakeholders in each region.

While we recognize the need for fiscal restraint in difficult financial times we nonetheless encourage Congress to take a cautious approach toward funding reductions that may have disproportionately negative consequences if implemented over a short term. As debate continues on the House's proposal, **we strongly urge you to ensure that the debilitating cuts to EERE proposed in H.R. 1 are not included in the final funding resolution, and ensure that CHP and WHP technologies are supported in FY 2011 and beyond.**

Sincerely,



Jessica H. Bridges, CAE IOM
Executive Director



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Speaker John Boehner
U.S. House of Representatives
Washington, DC 20515

Minority Leader Nancy Pelosi
U.S. House of Representatives
Washington, DC 20515

Majority Leader Eric Cantor
U.S. House of Representatives
Washington, DC 20515

Minority Whip Steny Hoyer
U.S. House of Representatives
Washington, DC 20515

Chairman Hal Rogers
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Ranking Member Norm Dicks
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

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