



April 6, 2018

Pennsylvania Public Utilities Commission
400 North Street
Keystone Bldg.
Harrisburg, PA 17120

Dear Chairman Brown,

I am writing on behalf of the Alliance for Industrial Efficiency to thank Pennsylvania Public Utilities Commission (PUC) for its leadership to advance Combined Heat and Power (CHP) and Waste Heat to Power (WHP). The Alliance for Industrial Efficiency is a diverse coalition that includes representatives from the contractor, business, labor and academic communities.

We are thrilled that the PUC has adopted a CHP policy statement and committed to launching a CHP working group. By requiring Pennsylvania's electric and natural gas distribution companies to report biennially on CHP development in their territories, having PUC staff prepare biennial reports identifying favorable programs and develop recommendations regarding the development of CHP in the Commonwealth, and launching a CHP Working Group, the PUC has taken important steps to support the use of CHP in Pennsylvania. Expanding the use of CHP will help make Pennsylvania's manufacturers more competitive, increase the reliability of the electric grid, and lower emissions.

We are particularly grateful that the Commission recognized the value of streamlined interconnection procedures and that it has taken steps to expand its policy statement to include waste heat to power. We have concerns about burdensome and discriminatory standby rates in the Commonwealth and are hopeful that this issue will be addressed in the forthcoming CHP working group.

We are eager to learn more about the emerging CHP working group and are eager to support the PUC's efforts in this area. This group should provide an important forum to further explore barriers to and opportunities for CHP deployment in Pennsylvania. Indeed, DOE has identified more than 7.7 gigawatts of remaining industrial and commercial CHP technical potential in the Commonwealth.¹ Today, the PUC took an important step to jumpstart some of this deployment.

Thank you again for your leadership on this important issue.

Sincerely,

Jennifer Kefer
Executive Director, Alliance for Industrial Efficiency

¹ U.S. DOE, Mar. 2016, "Combined Heat and Power (CHP) Technical Potential in the United States," at 72 (<http://energy.gov/sites/prod/files/2016/03/f30/CHP%20Technical%20Potential%20Study%203-18-2016%20Final.pdf>).