



## **Industrial Energy Consumers of America**

*The Voice of the Industrial Energy Consumers*

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US Environmental Protection Agency

RE: Roadmap for Incorporating Energy Efficiency/Renewable Energy  
Policies and Programs into State Implementation Plans/Tribal Implementation Plans

In behalf of the Industrial Energy Consumers of America (IECA), we urge the EPA to use low cost and “cost-effective” energy efficiency as an option across all sectors of the economy to achieve national goals. The EPA should let energy efficiency compete with all other options, including renewable energy. Competition will drive down costs and emissions.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$800 billion in annual sales and with more than 750,000 employees nationwide. It is an organization created to promote the interests of manufacturing companies through research, advocacy, and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: plastics, cement, paper, food processing, brick, chemicals, fertilizer, insulation, steel, glass, industrial gases, pharmaceutical, aluminum and brewing.

It is critically important that EPA and state regulators actions do not increase the cost of electricity. The manufacturing sector competes globally and is under enormous competitive pressure. If you are not aware, the manufacturing sector has lost 5.7 million jobs or 31 percent since 2000. Low cost electricity (and fuels such as natural gas) are essential in our ability to compete globally. It is for this reason that the manufacturing sector needs to work in partnership with states to support a reasoned and low cost and cost-effective set of policy options.

Energy efficiency is a superb measure because once implemented it usually reduces energy consumption year after year without additional capital costs. The industrial sector strongly supports cost effective energy efficiency as a way to reduce its energy costs and improve competitiveness.

However, as a word of caution, industrial energy efficiency is not “free” as some parties have reported. The cost and the time to get a return on investment vary significantly and is highly dependent upon the changing cost of capital and the cost and time delay of environmental regulations.

Industrial efficiency, existing and new buildings energy efficiency and recycling of metals, glass, paper and plastics are especially important. Industrial energy efficiency options should consider things like electric motors and pumps but also include use of

cogeneration of power and steam and use of waste heat recovery or “hot stack gas” recovery and use.

Industrial cogeneration can vary in efficiency from 60 to 70 percent and waste heat recovery is the equivalent of renewable energy. However, both can have substantial state regulatory barriers and can suffer from adequate return on investment. Each state is different. As a result of the combined electric market barriers and environmental regulatory barriers, almost no new industrial facilities have been built since 2005. We urge you to place a special emphasis on this area because it simultaneously improves energy efficiency and reduces emissions while producing high quality distributed power generation. It is a great substitute for power produced from conventional inefficient electric power generators. Financial incentives thru this EPA program could be helpful.

Existing buildings consume about 40 percent of all of the nations’ electricity and should also be a high priority. Simple low cost options like insulation for attics and walls, insulated doors and windows are a common sense priority. Energy efficiency in this area will reduce demand for power and help lower electricity costs for all consumers. Lower electricity demand will likely delay expensive new conventional electric generation facilities.

Importantly, the industrial sector opposes policy that requires decoupling the volume of electricity or natural gas to its price. Decoupling is a disincentive for manufacturing to do energy efficiency.

IECA would like to be helpful to your efforts. Please feel free to contact us. Our board of directors is comprised of the top industrial energy managers in the country.

Sincerely,

Paul Cicio  
President