

Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

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March 20, 2020

The Honorable Thomas Carper
Ranking Member
Committee on Environment and Public Works
U.S. Senate
513 Hart Senate Office Building
Washington, DC 20510

Re: S.2283, the "Waste Heat to Power Investment Tax Credit Act"

Dear Senator Carper:

On behalf of the Industrial Energy Consumers of America (IECA), we strongly support S. 2283, the "Waste Heat to Power Investment Tax Credit Act." The bill would amend the Internal Revenue Code of 1986 to provide an investment tax credit for waste-heat-to-power (WHP) technology. The one-time tax credit would provide a needed economic incentive to recycle the waste energy consistent with the new circular economy.

The manufacturing sector places a high priority on reducing and/or recycling waste heat as a way of improving competitiveness and reducing GHGs. Unfortunately, it is not always economic to recycle waste heat and convert it into power. Because of this, there is only 469MW of existing WHP capacity distributed among 75 sites across the U.S. However, there is about 7.6GW of potential nationwide. The tax credit will be instrumental in pursuing this potential.

WHP, as a distributive energy resource (DER), when economic can reduce energy costs, increase electric grid reliability, and reduce/avoid GHG and criteria pollutants and gridline losses. These are powerful attributes.

Thank you for your leadership on this important issue. Please let us know how we can be helpful in moving this legislation.

¹ "Combined Heat and Power (CHP) Technical Potential in the United States," U.S. Department of Energy, March 2016,

 $\frac{https://www.energy.gov/sites/prod/files/2016/04/f30/CHP\%20Technical\%20Potential\%20Study\%203-31-2016\%20Final.pdf.$

Page 2 Industrial Energy Consumers of America Sincerely,

Paul N. Cicio President

cc: Senate Committee on Finance

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales, over 3,700 facilities nationwide, and with more than 1.7 million employees. It is an organization created to promote the interests of manufacturing companies through 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: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, brewing, independent oil refining, and cement.