



Industrial Energy Consumers of America
The Voice of the Industrial Energy Consumers

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May 9, 2012

The Honorable Jeff Bingaman
Chairman
Committee on Energy and Natural Resources
U.S. Senate
Washington, DC 20510

The Honorable Lisa Murkowski
Ranking Member
Committee on Energy and Natural Resources
U.S. Senate
Washington, DC 20510

Re: Comments for the Record – S. 2146, the Clean Energy Standard Act of 2012

Dear Chairman Bingaman and Ranking Member Murkowski:

As advocates for manufacturing competitiveness, energy efficiency and a clean environment, we thank you for having a hearing on S. 2146, the Clean Energy Standard Act of 2012. Please accept this document for the record. We have three points to make.

1. Any new Congressional policy whose purpose is to encourage cleaner electricity power generation should prioritize greater use of existing and new industrial combined heat and power and waste heat distributive generation. The efficiencies are better than twice that of base load generation and will significantly reduce emissions, including GHG emissions. Distributive generation also increases reliability of the grid. Plus, greater use of industrial CHP / WHR will help to improve the competitiveness of the manufacturing sector, job creation and exports of value added products. Unfortunately, S.2146 will not encourage use of industrial CHP or WHR.
2. Higher electricity costs through greater use of very expensive and non-reliable renewable energy that also requires backup natural gas-fired generation - damages our competitiveness. Instead, we encourage the Congress to explore greater use of energy efficiency of all kinds as a cost effective way forward. At minimum, sound policy should let energy efficiency compete directly with renewable energy.
3. As large industrial consumers of energy, our competitiveness can be determined by the cost and availability of energy, including electricity. As such, we would be opposed to policy that increases the cost of electricity and or reduces its reliability. We believe that the Clean Energy Standard (CES), as proposed, would fit this category.

In closing, it is important to remind policymakers that the manufacturing sector has lost 5.5 million jobs or 32 percent since 2000. We have increased only 418,000 jobs in the last two years. The point is – we have a long way to go to improve manufacturing competitiveness and take back our jobs from international competitors. This is not the time to impose new costs on electric utilities that will be passed onto us, the consumer.

We look forward to working with you to make changes to S.2146, such that it will support the goal of a cleaner environment but without raising electricity costs.

Sincerely,

Paul N. Cicio
President

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$700 billion in annual sales and with more than 650,000 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: chemicals, plastics, cement, paper, food processing, brick, fertilizer, steel, glass, industrial gases, pharmaceutical, aluminum and brewing.