



Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

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May 10, 2016

The Honorable Pat Meehan
U.S. House of Representatives
434 Cannon House Office Building
Washington, DC 20515

Re: IECA Supports H.R. 5172, To amend the Internal Revenue Code of 1986 to extend and phaseout the energy credit for certain property.

Dear Congressman Meehan:

On behalf of the Industrial Energy Consumers of America (IECA), we support passage of H.R. 5172, to amend the Internal Revenue Code of 1986 to extend and phaseout the energy credit for certain property. The bill would extend the combined heat and power (CHP) investment tax credit (ITC) another five years by providing a one-time tax credit that supports investment in highly energy efficient technology. Because building a CHP facility is a more expensive alternative than generating steam in a standalone boiler, the ITC encourages use of a more efficient alternative.

Industrial CHP facilities improve U.S. manufacturing competitiveness by lowering steam energy and electricity operating costs. CHP can produce power at up to 80 percent more efficiently than stand-alone power generation technology (which is at about 35 percent). As a distributive resource, CHP improves grid reliability in the event of a weather-related disaster. Also, CHP runs 24/7, which means it provides a higher quality of power, including power production when it is needed the most – at peak demand periods.

The industrial sector does not build CHP facilities to sell power. CHP helps to keep energy costs as low as possible to support global competitiveness and maintain/create middle class jobs.

Thank you for your leadership on this important issue.

Sincerely,

Paul N. Cicio
President

cc: House Committee on Ways and Means

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.0 trillion in annual sales, over 2,900 facilities nationwide, and with more than 1.4 million employees worldwide. 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: chemical, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, brewing, independent oil refining, and cement.