

# Federal developments supporting WHP

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# Have I got a deal for you!

- No fuel
  - No combustion
  - No new emissions
- Base-load generation
- Distributed generation
  
- Where do I sign up?!
  - What's the catch?
    - Tell me more.

# What's-a-matter-you?

- Not really CHP
  - Not a traditional renewable
- Not eligible for existing incentives
  - Not getting projects built

# objectives

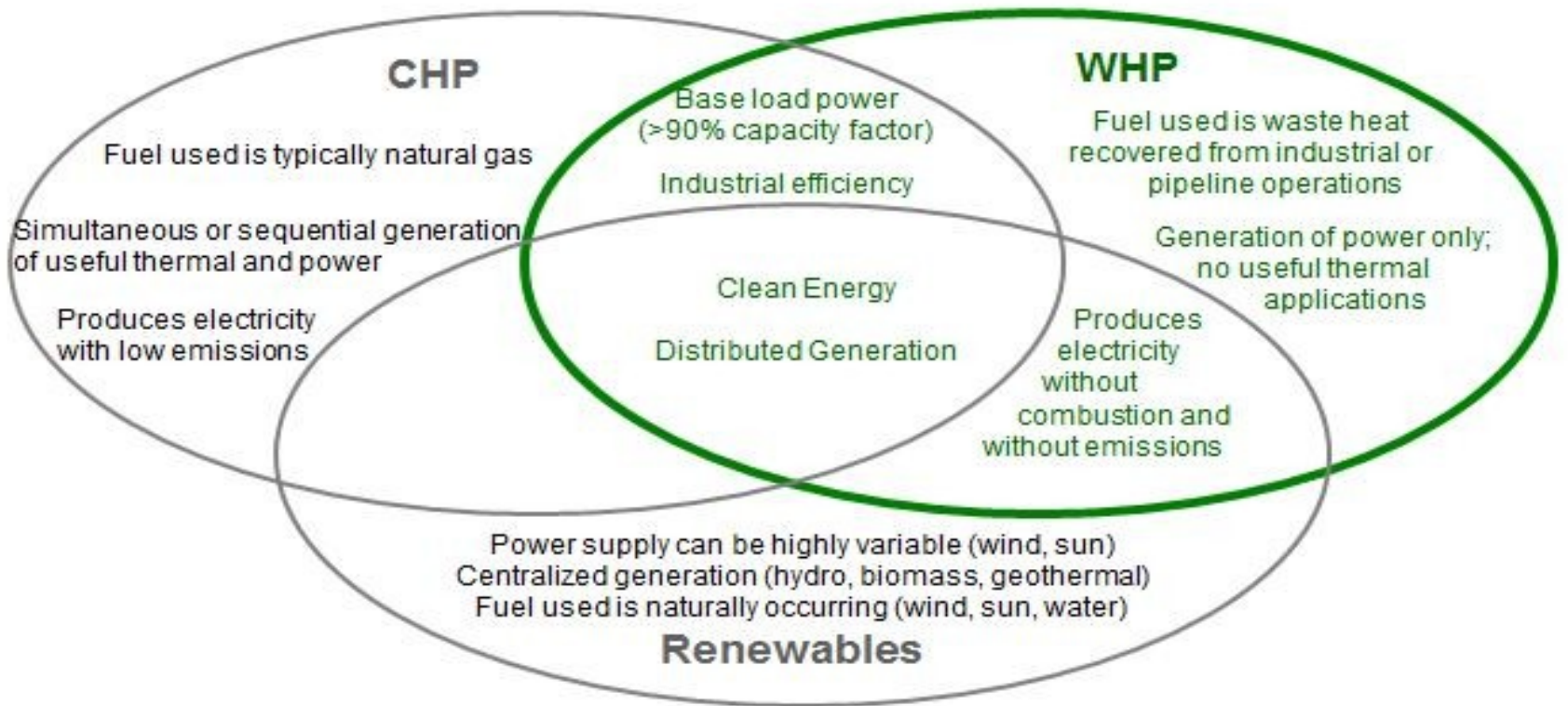
- Educate policymakers and stakeholders
- Seize opportunities in legislative and regulatory arenas: projects in the ground
- Work collaboratively to build support for the long-term

# messages

- WHP is industrial efficiency
- Distinct from CHP
- “Renewables equivalent” -- ‘Look, Ma,’ no fuel, no combustion, no new emissions
- Characterizations matter

# Why does Hip say WHP & CHP are related but WHP is not type of CHP

Power produced by WHP looks less like power produced by CHP & more like power produced by traditional renewables—combustion-free & emission-free



# Why does it matter?

## **Why does it matter that WHP is not considered CHP?**

- If WHP qualified as CHP under Sec 48 of the tax code, WHP projects would benefit from a 10% investment tax credit (but might never get a 30%)
- Sec 48 of the tax code is used in new bills offering clean energy opportunities
- Although DOE & EPA consider WHP to be a type of CHP, legislation and most state and utility programs that encourage CHP projects do not apply to WHP projects

## **Why does it matter that WHP is not recognized as clean, emission-free electricity in any federal legislation & many state programs?**

- WHP competes with other emission-free resources, and cannot compete against natural gas or coal. Without equal policy treatment, there is a distorted market for WHP and very few projects will get built.

# challenges

- Lack of familiarity
- Confusion relative to CHP
- Capital intensive
- Need level playing field



# Education, outreach, engagement

## Target audiences

- Policymakers
  - Congress (SENR, HEC, Finance, W&M, efficiency caucuses)
  - Administration and Executive Branch Agencies (DOE, EPA, CEQ, Domestic Policy Council, USDA)
- Stakeholders
  - NGOs—think tanks, trade groups, environmental groups
- Media -Inside the Beltway energy outlets

# Working collaboratively

- Alliance for Industrial Efficiency (AIE)
- Pew Trusts
- American Council on Renewable Energy (ACORE)
- American Council for Energy Efficient Economy (ACEEE)
- Alliance to Save Energy (ASE)

# Federal legislative agenda

- Master Limited Partnership Parity Act (Sen. Coons D-DE, *et al*)
- Tax Reform – “neutrality”
- Heat is Power Act (Rep. Tonko D-NY)
- Local Energy Supply & Resiliency Act (LESRA – Sen. Franken D-MN)

# Executive branch Agenda

- DOE Industrial Efficiency ‘Barriers’ Study & Report
- Executive Order on Industrial Efficiency – Aug. ‘12
  - Goal: 40GW new CHP by 2020
  - “industrial efficiency and CHP”
- President’s Climate Action Plan – June ‘13
  - No explicit mention of role of industrial efficiency
- Clean Air Act, EPA rule makings

# summary

- Challenges, but meaningful achievements
  - Confusion about WHP and its role
  - Policymakers & stakeholders beginning to better understand
  - MLP Parity Act, tax reform, other legislation & regulations
- Opportunities exist
  - Federal legislation
  - President's Executive Order
  - President's Climate Action Plan
  - Move toward lower-carbon economy
- What's required?
  - Continued education & outreach
  - Industry engagement – telling our story