

The Honorable Ron Wyden
Ranking Member, Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

May 12, 2017

Dear Senator Wyden:

The waste heat to power (WHP) industry appreciates and supports your efforts to enact technology neutral energy tax reform. WHP is a clean, domestic, industrial source of electric power generation that can help reduce carbon emissions from power generation, manufacturing, and other industries. We hope that Congress will support your technology neutral energy tax reform recommendations as they will promote market parity and viability for WHP and other clean energy technologies in the U.S.

Waste heat is generated in substantial quantities in the U.S. at industrial facilities every day and, if harnessed to make power, could generate 15 GW of emission-free electricity in the U.S. WHP systems capture heat that would otherwise be vented into the atmosphere from industrial processes and use it to generate electricity with no additional fuel, combustion or emissions. These systems generate electricity on-site where it is needed, lowering fuel use and emissions while minimizing the distance electricity has to travel and the associated costs and losses.

Europe and Asia are reaping the many benefits of WHP. China's cement industry has 739 WHP systems, helping their cement manufacturing sector to produce more with less while cutting emissions.¹ In contrast, the U.S. has only 96 WHP systems across all industries, with a total of 766 megawatts (MW) of installed WHP capacity despite 15,000 MW of technical potential.² U.S. WHP implementation is lagging because current U.S. tax policies incent known technologies rather than encourage innovation and new approaches through mechanisms such as technology neutral tax policies.

Your technology neutral approach would encourage U.S. innovation and strengthen our economy, promote enhanced competition among all of our nation's energy sources, increase manufacturing jobs and exports, improve industrial efficiency and resilience, reduce emissions of greenhouse gases and criteria pollutants, and diversify our energy mix by encouraging development of technologies like WHP. We look forward to working with you and the Senate Finance Committee to bring the many benefits of WHP to the Nation's power generation mix.

¹ Heat Recovery for the Cement Sector: Market and Supplier Analysis, Institute for Industrial Productivity and International Finance Corporation, June 2014

² Waste Heat to Power Market Assessment, ICF for Oak Ridge National Laboratory, March 2015

The Heat is Power Association (HiP) is the trade association for the waste heat to power (WHP) industry. WHP uses waste heat from industrial processes to generate electricity with no additional fuel, no combustion, and no incremental emissions. HiP educates policy makers about clean energy from waste heat and advocates for policies that provide parity for WHP with other sources of clean energy.

Sincerely,

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