

Information about the EPA Published Final Clean Power Plan Rules

Twenty-four states immediately filed suit challenging the EPA rule. Those states are: West Virginia, Texas, Alabama, Arkansas, Colorado, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Michigan, Missouri, Montana, Nebraska, New Jersey, Ohio, South Carolina, South Dakota, Utah, Wisconsin, Wyoming, Arizona and North Carolina. But, many other states (and even some of the states challenging the rule) are already taking steps to develop plans for compliance with the rule, including developing state energy plans and convening stakeholder engagement on state implementation options – including increased deployment of cogeneration.

MCA ally, the Alliance for Industrial Efficiency in Washington, D.C., quickly issued the following press release pointing out that greater deployment of cogeneration projects can be a win-win-win strategy for state compliance with the Clean Power Plan, economic development, and energy security:

“The Alliance for Industrial Efficiency is pleased that EPA heard our industry’s comments and is encouraging industrial efficiency as a compliance option,” said Jennifer Kefer, Director of the Alliance for Industrial Efficiency. “The Clean Power Plan will make manufacturers more competitive, support new jobs, improve grid reliability, and cut electricity costs for all ratepayers. It is commonsense that companies that use less energy to produce iron, steel and paper will save money on their electric bills. Through this rule, states can help manufacturers save as much as 50 percent on energy costs, giving them new resources to increase productivity and innovation. Governors should seize this opportunity and include CHP and WHP in their plans.”

Conventional power generation is inefficient. Two-thirds of the energy used to generate electricity is lost as wasted heat. Additional energy is lost in transmission while moving power through lines from the central power plant to end users. By producing both thermal energy and electricity from a single fuel source, a CHP system operates at efficiency levels exceeding 70 percent. And WHP facilities capture otherwise wasted heat from industrial processes to generate electricity with no incremental emissions.

“The opportunity for deployment at the nation’s hospitals, universities, and factories is significant. Research shows CHP projects could generate nearly as much power as 250 new power plants,” notes Stan Kolbe, Director of Government Affairs for the Sheet Metal & Air Conditioning Contractor’s National Association (SMACNA), an Alliance Steering Committee

member. “By including CHP in their plans, states will create jobs in the design, construction, installation, and maintenance of equipment.” According to DOE, if CHP provided 20 percent of U.S. electric capacity (up from 12 percent today), it could support one-million new jobs.

“States can strengthen the reliability of all of their electricity customers by including CHP in their compliance plans,” notes Elinor Haider, Vice President of Market Development at Veolia North America, one of the nation’s largest CHP developers and Alliance Steering Committee Member. “Because CHP systems can operate independent of the grid, they are more resilient, remaining online during extreme weather events that can lead to power outages. We witnessed the benefits firsthand during Superstorm Sandy in October 2013. While nearly eight-million residents across the Mid Atlantic lost power, the CHP system we helped implement kept the lights on at New York University and allowed the University to serve as a place of refuge during the storm,” Haider recalls.