



**UNITED STATES CLEAN
HEAT & POWER ASSOCIATION**

November 3, 2011

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Feinstein:

On behalf of USCHPA's member companies, I am writing to convey our support for the provision included in the FY 2012 Appropriations bill (HR 2354) that clarifies the authority of the individual states to adopt feed-in-tariffs (FIT). This language will provide unquestionable legal authority to state policymakers to employ the device of a feed-in tariff to encourage investment in energy efficiency technologies such as combined heat and power (CHP).

USCHPA is a trade association whose membership includes manufacturers, suppliers, and developers of combined heat and power (CHP) and waste heat-to-power (WHP) systems. CHP and WHP lower demand on the electricity delivery system, reduce reliance on traditional energy supplies, make businesses more competitive by lowering their energy costs, reduce greenhouse gas and criteria pollutant emissions, and refocus infrastructure investments toward next-generation energy systems. Already harnessed by many large industrial, commercial, and institutional facilities, CHP is a proven and effective energy resource that can be immediately deployed to help address current and future global energy needs by incorporating commercially available and domestically produced technology.

Approximately eight percent (8%) of U.S. energy generation can currently be attributed to combined heat and power. Feed-in-tariffs are an important tool for encouraging further deployment of CHP. Typically, a FIT assures a fixed sale price for certain alternative energy sources, thus jump-starting investment in those technologies. H.R. 2354 is consistent with recent FERC orders, which explain that states can implement under PURPA different technology-specific "avoided cost" wholesale rates for FITs. This means that separate rates could be developed for CHP, renewables, and other "qualified facilities" under PURPA. These rates could then be used as the offer price in technology-specific FITs.

By requiring FERC to issue a FIT regulation, H.R. 2354 would clarify that states have the legal authority to adopt feed-in-tariffs as a policy tool to encourage deployment of renewable and energy efficiency technologies. CHP and WHP companies applaud your effort to expand the states' resources for opening electricity markets to alternative energy generation sources. USCHPA and its member companies strongly support the feed-in-tariff language included in HR 2354.

Sincerely,

Jessica H. Bridges, CAE IOM
Executive Director

**105 N. Virginia Ave., Suite 204
Falls Church, VA 22046
703.436.2257
www.uschpa.org**