



**UNITED STATES CLEAN
HEAT & POWER ASSOCIATION**

January 24, 2008

The Honorable Nancy Pelosi
U.S. House of Representatives
Washington, DC 20515

Dear Madam Speaker:

As you consider moving forward with an economic stimulus package to spur growth in the nation's economy, I urge you to include the energy tax package as part of the economic stimulus measure.

As you know, the energy tax package crafted last year contained a provision to modify section 48 of the Internal Revenue code to provide a ten-percent (10%) investment tax credit (ITC) for qualified combined heat and power (CHP) systems for the first fifteen megawatts (MW) of a project with a generating capacity up to fifty MW. While other energy efficient technologies have long benefited from investment tax credits that helped facilitate their further development and deployment, CHP has yet to reap such benefits. The 10% CHP ITC will level the playing field between CHP and other clean technologies.

Efficiency must be a key element in a comprehensive national energy and carbon policy. To that end, CHP represents a major opportunity for significant energy efficiency improvements, by facilitating increased energy production with less reliance on fossil fuels and reduced greenhouse gas emissions. The environmental and economic benefits of CHP are clear. Increased investment in CHP, made possible by the 10% CHP investment tax credit, will further those environmental and economic benefits, produce more clean energy jobs, a robust industry for CHP manufacturers and suppliers, and further the greening of the U.S. economy.

We want to thank you for your leadership on energy efficiency. However, we need your continued leadership to achieve our goal of increased clean, local energy generation, and we urge you to include the energy tax package, with the 10% CHP investment tax credit, as part of the economic stimulus measure. Your support of the CHP ITC will ensure the nation moves one step closer to reduced greenhouse gas emissions, more affordable power, and a stronger, greener economy.

Respectfully,

Jessica H. Bridges, CAE IOM
Executive Director