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Energy: Industrial Energy Consumers of America Asks U.S. House/Senate Committee Chairmen to Update/Extend the Combined Heat and Power Business Energy Investment Tax Credit

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The Industrial Energy Consumers of America (“IECA”) sent a March 15th letter to the Chairman/Ranking Members of the United States House of Representatives Committee on Ways and Means and Senate Committee on Finance addressing the combined heat and power (“CHP”) business energy Investment Tax Credit (“ITC”).

CHP is often referred to as cogeneration and described by the United States Department of Energy as:

- The concurrent production of electricity or mechanical power into useful thermal energy (heating and/or cooling) from a single source of energy.
- A type of distributed generation, which, unlike central station generation, is located at or near the point of consumption.
- A suite of technologies that can use a variety of fuels to generate electricity or power at the point of use, allowing the heat that would normally be lost in the power generation process to be recovered to provided needed heating and/or cooling.

IECA notes that the organization supports the CHP ITC set to expire on December 31, 2016 and asks that it be extended.

The organization further expresses disappointment that as opposed to the solar and wind ITCs CHP was not renewed for five years noting:

CHP facilities should have more comparable tax treatment to that which has been extended to wind and solar. This includes changes that would allow use of the CHP ITC at the date of “commenced construction” versus “placed in service.” Also, we urge you to remove the MW capacity cap on the CHP ITC, which has greatly limited the value and use of the tax credit and to include industrial waste heat to power (WHP) as a qualified facility. WHP facilities produce power without any emissions.

The letter identifies what the organization argues are significant differences between industrial CHP/WHP versus wind and solar electric generating facilities and the argued benefits of industrial CHP/WHP.

[Click here to download a copy of the March 15th letter.](#)