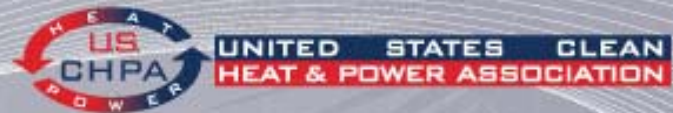


U. S. Clean Heat & Power Association Federal CHP Update

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Executive Director
CIBO Meeting
March 12, 2012



USCHPA – Who We Are

- 501(c)6 Trade Association (the U.S. CHP Association)
- Represent companies in the business of combined heat and power (including waste energy recovery)
- Members: GE, Caterpillar, Solar Turbines, Cummins, Capstone Turbines, Chevron, Veolia Energy, many small developer/engineering firms
- Support commercial, industrial, and residential CHP
- Support all fuel sources, particularly natural gas



USCHPA – What We Do

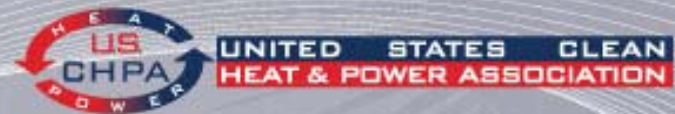
- Mission: To increase deployment of combined heat and power and waste energy recovery systems to benefit the environment and the economy.
- Advocate for federal incentives for CHP
 - Financing incentives (tax incentives, loan guarantees, grants)
 - Removing regulatory barriers that inhibit CHP deployment



USCHPA – Federal CHP Update

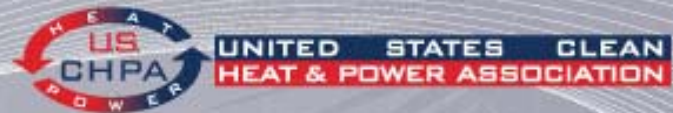
Legislative Prospects for 2012

- CHP ITC expansion
- Extension of 1603 grant program
- Shaheen-Portman Building/Industrial Efficiency
- Bass CHP Doubling Goal
- Clean Energy Standard



USCHPA – Federal CHP Update Boiler MACT

- USCHPA takes no position on implementation
- Supported EPA recognition of CHP as compliance mechanism, recognition of output-based standards
- Good business for CHP; perhaps not so good for CHP manufacturers



USCHPA – Federal CHP Update Taxes

CHP ITC

- Current CHP ITC is 10% of 15MW up to 50MW; no waste heat recovery
- Seeking expansion to 25MW; eliminate 50MW cap
- House legislation stalled (Rep. Tonko HR 2783, HR 2812)
- Sens. Bingaman & Snowe readying Senate fix (update to S.661 from 111th Congress)

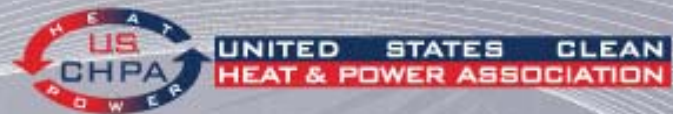
1603 Grant

- \$10 Billion issued
- Expired December 31, 2011
- CHP ITC grants issued for 14 projects (\$7 Million)
- USCHPA working through 1603 Coalition for extension



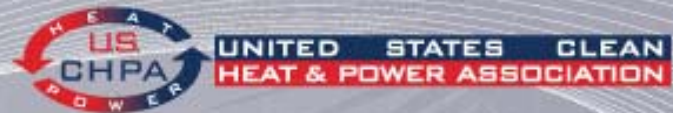
USCHPA – Federal CHP Update Shaheen-Portman (S. 1000)

- Senators Jeanne Shaheen (D-NH) and Robert Portman (R-OH)
- “Energy Savings and Industrial Competitiveness Act”
- Building and industrial efficiency
- \$400 Million loan authorization for building EE retrofits 2012-2021
- \$400 Million annual authorization for state revolving loans to commercial and industrial manufacturers
- Requires DOE reports on underutilized EE technology in multiple industries



USCHPA – Federal CHP Update Bass Deployment Goal (HR 4017)

- Representative Charles Bass (R-NH)
- Includes Shaheen-Portman building retrofit program
- Sets goal to double CHP deployment to 170GW by 2020



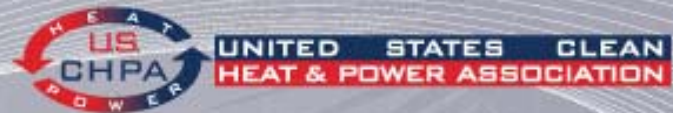
USCHPA – Federal CHP Update Clean Energy Standard (S. 2146)

- Utility energy from clean sources beginning at 24% in 2015 to 40% in 2035
- Credit awarded based upon carbon intensity; partial credit given based upon ratio of clean energy output to carbon intensity
- CHP awarded additional credit to reflect use of heat versus installing a separate boiler
- Carbon intensity for biomass TBD



USCHPA – Federal CHP Update Utility Tax Incentive Bill (“Duke Proposal”)

- Up to 20% tax credit for utility investment in new DG
- 20% for waste heat; 10% for CHP (existing statute limits)
- 50% ownership restriction on utility ownership
- Asset can be turned over to industrial



Thank You

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