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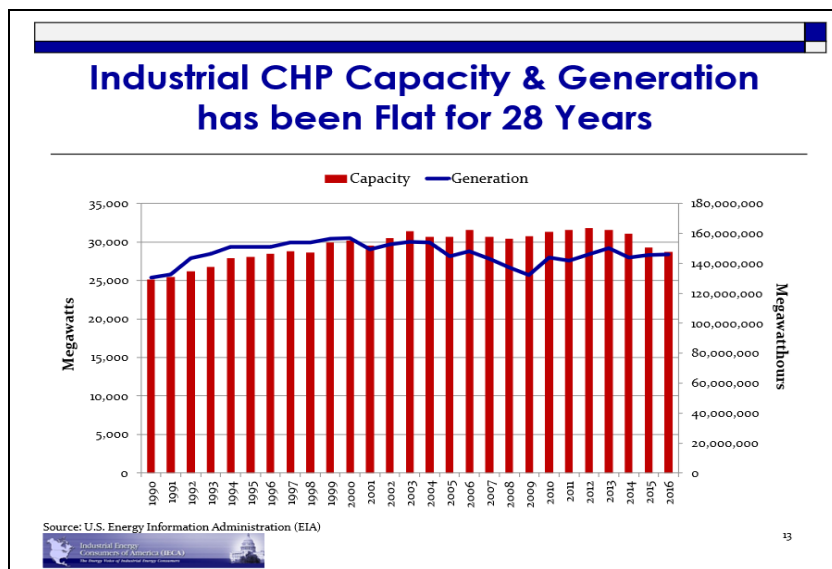
May 13, 2024

The Honorable Janet Yellen
 Secretary
 U.S. Department of the Treasury
 1500 Pennsylvania Avenue, NW
 Washington, DC 20220

Re: Industrial Energy Consumers of America Comments on Notice 2022-49

On behalf of the Industrial Energy Consumers of America (IECA), we strongly support the proposal advanced by the Combined Heat and Power Alliance¹ to allow natural gas-fired combined heat and power (CHP) to qualify for the post-2025 Secs. 45Y and 48E tax credits. The tax credit should also be extended to waste heat to power (WHP) facilities as well. This would accelerate progress towards reduction of carbon emissions from the electric power sector, the goal of the Secs. 45Y and 48E credits. By accounting for the grid emissions that CHP and WHP systems displace, this methodology is consistent with the GHG Protocol for Project Accounting and the EPA’s longstanding CHP emissions calculator methodologies.

CHP/WHP can produce power at up to 80 percent energy efficiency as compared to natural gas combined cycle at 45-57 percent. Both reduce electric transmission congestion. The U.S. Department of Energy (DOE) reports there is still significant potential.² Despite these many benefits, CHP capacity has been flat.



¹ Comment from Combined Heat and Power Alliance, <https://www.regulations.gov/comment/IRS-2022-0023-2195>

² U.S. DOE CHP Deployment Program, 2016

When manufacturers use CHP/WHP they consume most of the power internally but have the ability to export power to the grid when needed. They are not in the power generation business.

Inclusion of natural gas-fired CHP and WHP systems in the Secs. 45Y and 48E tax credits will encourage more CHP/WHP and deliver environmental and economic benefits to support reshoring of high paying manufacturing jobs.

Sincerely,

Paul N. Cicio

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President & CEO

cc: The Honorable Jennifer Granholm, U.S. Department of Energy
Senate Committee on Finance
House Committee on Ways and Means

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.3 trillion in annual sales, over 12,000 facilities nationwide, and with more than 1.9 million employees worldwide. It is an organization created to promote the interests of manufacturing companies through advocacy and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods, building products, automotive, independent oil refining, and cement.