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Texas Combined Heat & Power Initiative Applauds PUC for New Energy Efficiency Rule

Incentive Payments Allowed for CHP Technologies

(March 27, 2008, AUSTIN) The recent decision by the Public Utility Commission of Texas (PUC) to broaden the energy efficiency rule to include combined heat and power (CHP) smaller than 10 megawatts has won the approval of the Texas CHP Initiative, an industry-led group.

The decision expands the Texas Legislature's omnibus bill (H.B. 3693) passed last year to promote energy efficiency, provide near-term reductions in consumption and demand, and avoid a power crisis in Texas.

CHP is a proven technique for improving energy efficiency, according to TXCHPI Vice President Tommy John, PE. "The Commission was wise to include CHP in the range of options available for smaller customers to reduce energy use," John said. "We are eager to demonstrate how the use of CHP and other energy conservation technology can make significant reductions in energy use in Texas."

CHP technologies are used to recycle energy that is normally wasted during the generation of power. Energy is captured and converted to useful heating for buildings or industry. CHP already provides substantial efficiency advantages at many of the state's largest industrial facilities, including petrochemical plants, refineries, and manufacturing. The new rule recognizes the potential energy savings in smaller CHP systems, such as those located in buildings, hospitals and small industries.

"As energy efficiency and the environment become increasingly important to consumers, Texas businesses are responding," TXCHPI Board Member Nat Treadway said. "CHP allows businesses to show corporate responsibility, reduce costs and enhance energy security and reliability. Energy efficiency services, including CHP, will be delivered by competitive retail electricity providers who participate in the 'standard offer programs' administered by electric utilities," he said.

The Texas Combined Heat & Power Initiative, an industry-led nonprofit organization, champions combined heat and power as the most effective, economical and environmentally-sensible energy option for Texas. For information, visit the TXCHPI website at <http://www.texaschpi.org> or contact Executive Director Rich Herweck at 972-979-4737 or Herweck@texaschpi.org.