

Combine Heat and Power (CHP) and Distributed Generation

1 **WHEREAS**, Missouri spends approximately \$23 billion every year on its primary energy sources (such
2 as coal, oil, natural gas), most of which leaves the state; and,

3 **WHEREAS**, Missouri’s economy would benefit from reducing its energy expenditures through
4 energy efficiency, by keeping more energy dollars in the state; and,

5 **WHEREAS**, Missouri’s environment would benefit from reducing consumption of fuel, including
6 the combustion of fossil fuels, and capturing waste heat from commercial, industrial and institutional
7 facilities through combined heat and power and clean distributed generation; and,

8 **WHEREAS**, Facilities that use combined heat and power reduce their dependence on grid-
9 supplied electricity and may allow businesses and institutions to continue to operate during natural
10 disasters that take down the electric grid; and,

11 **WHEREAS**, Supportive combined heat and power policies could help large and medium scale
12 manufacturers utilize this technology to lower energy costs, increasing their competitiveness; and,

13 **WHEREAS**, On August 30, 2012, President Obama signed an executive order to facilitate
14 investments in industrial energy efficiency that will strengthen manufacturing and help create jobs with
15 the goals of saving manufacturers up to \$100 billion in energy costs in the next decade and 40 gigawatts
16 of new combined heat and power capacity by 2020, a 50% increase from today, and such order directs
17 federal agencies to coordinate actions and provide technical and policy assistance to states including
18 hosting regional workshops to share best practice policies and models to overcome barriers; and,

19 **WHEREAS**, There has been only one combined heat and power system with a capacity of 10.7
20 megawatts installed in Missouri between 2005 and 2010; and,

21 **WHEREAS**, Current policies and regulatory environment in Missouri do not encourage the

22 development of combined heat and power and changes are needed to see greater development of this
23 technology in Missouri in the future; and,

24 **WHEREAS**, Missouri’s electric utilities lose revenue by customers investing in combined heat
25 and power and distributed generation as it reduces the customers’ use of electricity purchased from the
26 electric utility: now, therefore, be it

27 **RESOLVED**, That the Conservation Federation of Missouri assembled at the Capitol Plaza Hotel,
28 Jefferson City, MO, this 24th day of February, 2013, urges the Missouri General Assembly, the Public
29 Service Commission, the regulated electric utilities and other interested stakeholders to work together to
30 review and modify policies so the result is increasing investments in combined heat and power and clean
31 distributed generation projects in Missouri, for the benefit of the State of Missouri.