

On behalf of the Gulf Coast Clean Energy Application Center, I wish to commend the Commission Staff for recommending the inclusion of both combined heat and power and waste heat recovery in the Pilot RPS, as 14 other states have done in their own renewable portfolio standards.

As the Staff has recognized, the waste heat captured and reused from these processes shares many of the attributes as conventional renewable energy sources.

Whether the source of waste heat is from naturally occurring geothermal processes in the Earth or from manmade sources, waste heat recovery projects are equivalent to wind or solar power in cleanliness, but provide firm, baseload power that is generated in close proximity to where it is needed. Power production close to loads reduces the need for transmission lines to carry power from remote renewable energy resources and increases energy security for adopters. Waste heat available at prime movers used to generate electricity is no less valuable than waste heat from industrial processes or from prime movers performing in alternative applications, such as compressing natural gas along pipelines.

In addition to reaffirming the RPS's inclusion of waste heat, we encourage the Commission to reevaluate two issues going forward with respect to waste heat's eligibility criteria:

- 1.) The Commission should reconsider the benefits to the State of Louisiana of incentivizing the use of waste heat for **non-electric** purposes, such as offsetting boiler operations and producing chilled water, mechanical work, and dehumidification, as

these uses of waste heat produce air quality and resource conservation benefits that are often equivalent to or greater than those created through the generation of electricity. Preferential treatment of electricity production for inclusion in the program could result in less optimal project configuration and operation.

- 2.) Even though energy captured and used from so-called CHP facilities are rightly included in the program, we ask the Commission to explain its rationale for setting an apparently arbitrary limit of 30 MW on fossil-fueled CHP and waste heat recovery projects. Furthermore, we urge the Commission to raise or remove this cap if the Pilot program expands after 2013.