



Franken, Bond, McCollum Introduce Thermal Renewable Energy and Efficiency Act

WASHINGTON, D.C. [07/21/10] – Today, U.S. Sens. Al Franken (D-Minn.) and Kit Bond (R-Mo.), and Congresswoman Betty McCollum (D-Minn.) introduced the bi-partisan Thermal Renewable Energy and Efficiency Act. The Thermal Renewable Energy and Efficiency Act would offer incentives to increase the use of district energy and combined heat and power systems to heat and cool buildings throughout the country. Reps. Jay Inslee (D-Wash.) and Paul Tonko (D-N.Y.) are also original co-sponsors.

Close to one-third of the total quantity of energy consumed in the U.S. is used for heating and cooling buildings and industrial processes. This represents an enormous opportunity to reduce greenhouse gas emissions, either through renewable thermal energy sources, combined heat and power, or other energy-efficient technologies.

“Minnesota uses a lot of thermal energy, whether for heating in the winter months or air conditioning during our hot summers,” said Sen. Franken. “Expanding our use of renewable thermal energy, exemplified by the model district energy system we have in St. Paul, is one way to provide low, stable heating and cooling prices to consumers, dramatically increase our country’s energy efficiency and speeding up our transition away from coal and fossil fuels that cause global climate change.”

“In addition to promoting the many benefits that Missouri universities, hospitals and data centers enjoy when combining power and heat generation, I am pleased that this bill encourages increased use of renewable fuels like biomass of which we have an abundance in Missouri,” said Sen. Bond.

“America’s energy policy is broken. The U.S. has a proven clean, affordable, and secure energy technology that is available today if the federal government would pay attention,” said Congresswoman McCollum. “The best kept secret in this country is district energy technology, and St. Paul’s District Energy facility is a premier example of a system heating and cooling dozens of downtown office buildings. Congress and the Department of Energy need to wake up and start investing in this proven technology that will create clean energy jobs and reduce energy dependence.”

The Thermal Renewable Energy and Efficiency Act would specifically:

Create renewable thermal energy production tax credits. Right now the (deleted “current”) renewable energy production tax credit (PTC) encourages the generation of electricity using certain renewable resources. By limiting the PTC to the generation of electricity only, opportunities are lost to expand the use of renewable resources to meet thermal energy needs (such as heating, air conditioning, domestic hot water, and process heating and cooling in industrial facilities). This bill expands the PTC to the production of renewable thermal energy, providing an incentive to invest in these systems.

Expand tax exempt bonding. Currently, exempt facility bonds help finance certain capital costs of district energy systems and piping distribution systems, but aren’t available for other system components. This bill would expand the use of tax exempt bonds to so that a broader range of the capital investments associated with thermal energy production are eligible for tax exempt bonding.

Expand and reauthorize the Department of Energy’s Energy Sustainability and Efficiency Grants for Institutions Program by: (1) raising the cap on grants to \$20 million and the local cost-share requirement from 40% to 70%; (2) increasing caps on technical assistance grants; (3) increasing the authorized funding for the grant program to \$500 million; (4) extending program eligibility to not-for-profit district energy systems; and (5) extending the grant and loan program through fiscal year 2015. These changes will expand the ability of this program to support larger, more efficient district energy and CHP systems; reduce greenhouse gas emissions; create jobs; increase grid reliability; and enhance energy security.

A list of organizations that support the Thermal Renewable Energy and Efficiency act can be found [here](#) .