

CITIZEN POWER

Public Policy Research Education and Advocacy

June 27, 2016

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Proposed Policy Statement on Combined Heat and Power
Docket No. M-2016-2530484**

Dear Secretary Chiavetta:

Enclosed please find Citizen Power's Reply Comments in the above referenced proceeding.

Sincerely,



Theodore Robinson
Counsel for Citizen Power

Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Proposed Policy Statement on Combined :
Heat and Power : Docket No. M-2016-2530484

REPLY COMMENTS OF CITIZEN POWER, INC.

Citizen Power, Inc. (“Citizen Power”) submits these Reply Comments to the comments filed in response to the Pennsylvania Public Utility Commission’s (“PUC”) Proposed Policy Statement on Combined Heat and Power (“CHP”), entered in the above-captioned docket on March 9, 2016.

I. COMMENTS

Citizen Power supports the development of CHP as a clean and efficient energy source. We also agree with the numerous comments supporting the requirement that electric distribution companies (“EDCs”) and natural gas distribution companies (“NGDCs”) file biennial reports documenting their strategies, programs, and other initiatives in support of CHP systems. This requirement is a reasonable step to promote CHP given the changing cost calculus regarding energy generation and the potential need to comply with the Clean Power Plan. However, we also agree with the Pennsylvania Department of Environmental Protection (“DEP”) in their statement that “[a]ny policies or programs created to incent CHP should not disadvantage energy

efficiency, emissions-free generation and/or energy storage as these all have an important role.”¹
CHP should be supported, but it should not be over incentivized at the expense of other alternatives.

There are a number of issues pertaining to the development of CHP in Pennsylvania that need to be addressed. For example, is CHP being hindered by the Total Resource Cost (TRC) Test being limited to a 15-year life for equipment? Can CHP be promoted by on-bill financing programs? To discuss these and other issues, and also develop a long-term CHP strategy, we agree with the DEP’s recommendation of creating a CHP stakeholder group, though we believe that the Office of Consumer Advocate should be included in the list of groups invited to participate.

III. CONCLUSION

Citizen Power supports the PUC in their efforts to promote CHP development and appreciates the opportunity to comment upon this important issue.

Respectfully Submitted,

By: 
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Dated: June 27, 2016

¹ Comments of the PA Department of Environmental Protection, Docket No. M-2016-2530484 at 1.