



## NEWS RELEASE

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### FOR IMMEDIATE RELEASE

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### **SMACNA Urges Congress To Pass Industrial Energy Efficiency Legislation**

**CHANTILLY, VA.** – “America needs a high efficiency industrial retrofit policy now!” is the message the [Sheet Metal and Air Conditioning Contractors' National Association](http://www.smacna.org), its labor partners, and a coalition of other union contractors and industry partners sent to Congress today. These organizations urged legislators to adopt new tax policy to enhance industrial energy efficiency in order to simultaneously increase manufacturing competitiveness, create jobs, and reduce pollution.

The nation's industrial sector is the engine for wealth creation and economic growth and manufacturing investments, benefit the entire economy as every industrial job supports three jobs elsewhere. The industrial rebate initiative, which could bear the title “Industrial Star,” if adopted, would be similar to other recently proposed rebate programs that would be intended to spur construction and manufacturing jobs, plus deeply reduce energy costs.

“Congress has an opportunity to make American manufacturers more competitive and to create jobs by expanding the use of efficient combined heat and power (CHP) and clean recycled energy,” noted SMACNA President John Lindemulder.

Designed to focus national attention on the industrial sector role in high efficiency energy retrofits, Industrial Star is a developing legislative package of existing proposals designed for quick and responsive energy saving with impressive job creation.

This diverse set of organizations sent letters to the Senate Finance Committee and the House Ways and Means Committee asking for tax credits to expand use of combined heat and power (CHP) and waste energy recovery, which would vastly improve energy efficiency. While often overlooked in the search for improved efficiency, manufacturers consume vast quantities of energy, usually finding it to be one of their largest production costs. Indeed, these technologies often double the efficiency of an industrial plant.

The group is asking for passage of the bipartisan S. 1639 (sponsored by Senators Jeff Bingaman, D-N.M., and Olympia Snowe, R-Me.) as well as H.R. 4144 (Rep. Jay Inslee, D-Wash.) and H.R. 4751 (Rep. Paul Tonko, D-N.Y.) to encourage near-term projects that will create and maintain thousands of jobs within the industrial sector and in the manufacture, installation, and operation of CHP and waste energy recovery equipment.

According to Recycled Energy Development, the industrial sector is a huge consumer of power, yet doesn't get sufficient attention in the quest for energy efficiency. Manufacturers that recycle their waste energy are typically able to cut their energy expenses by about 20 percent, reaping huge savings on a core operating cost while drastically reducing greenhouse gas emissions.

According to the Oak Ridge National Laboratory, a large-scale expansion of CHP could provide 20 percent of U.S. generating capacity by 2030, generate \$234 billion in new investment, and create nearly one million highly-skilled, technical jobs throughout the U.S. Such an expansion would reduce CO2 emissions by more than 800 million tons per year, the equivalent of taking more than half the current U.S. passenger vehicles off the road.

The legislation would help small businesses put workers back on the job. "These tax credits and grants will provide the right incentives to get our men and women back to work rebuilding America in every state," said John Lindemulder, SMACNA president. "Since more than 90% of the construction firms that will be building and installing energy recycling equipment employ fewer than 20 people, these measures will be a boon to small businesses around the country that have been hardest hit by the economic downturn."

The gains would be no less dramatic for American workers. "The ability to lower energy costs means U.S. manufacturers can win back jobs that have gone overseas for far too long. This legislation will clearly be a force for industrial job creation, as every industrial job supports an average of three jobs elsewhere." said Michael Sullivan, General President of the [Sheet Metal Workers' International Association](#).

Waste energy recovery, which captures waste energy from industrial facilities, now receives no tax benefits. CHP, a process by which manufacturers generate electricity and heat on site, obtains only a 10 percent investment tax credit for the first 15 megawatts of a project limited to 50 megawatts in size.

The bills now in the House and Senate would remove the limitation to small projects and apply the tax credit to a project's first 25 megawatts (S. 1639 an H.R. 4144), as well provide a 30 percent credit for recycled energy and CHP with efficiencies above 70 percent (H.R. 4751).

SMACNA, an international trade association representing 4,500 contributing contractor firms, is dedicated to promoting quality and excellence in the sheet metal and air conditioning industry. SMACNA has national offices in Chantilly, Va., outside of Washington, D.C., as well as on Capitol Hill.

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