

AN OPPORTUNITY FOR ENERGY RECYCLING: REGULATORY CHANGES PROPOSED IN THE 2007 ENERGY BILL

As they negotiate their different energy bills, the United States Senate and House of Representatives can advance the federal government's first significant support for energy recycling—a groundbreaking technique that slashes greenhouse gas emissions while reducing energy costs.

Energy recycling faces numerous regulatory barriers, primarily at the state level, but the federal legislation would help compensate by mandating the following:

- The U.S. Environmental Protection Agency (EPA) would conduct a national inventory of American industrial facilities to evaluate their waste energy recovery potential. The EPA would also provide an incentive of \$10 per megawatt-hour to manufacturers that recover waste energy to help overcome existing barriers. This program would receive up to \$200 million annually.
- States would be encouraged to allow energy recyclers to directly sell any excess power they produce and, to that end, lay their own private electric wires. Such practices are currently illegal in all 50 states.
- A federal Renewable Portfolio Standard, similar to the ones now existing in 25 states, would be created. Industrial energy efficiency projects including waste energy recovery and Combined Heat & Power (CHP) would be allowed to satisfy up to 27% of the total federal requirement—complementing renewables like wind, solar, hydroelectric, and biomass.
- The federal government also would provide energy recycling projects with the same 10% investment tax credit available to other clean energy technologies.

Of course, these provisions are no panacea. Modest regulatory changes cannot overcome a century of obstacles that would-be energy recyclers have faced. But an energy bill that advances energy recycling could come as a breath of fresh air and would be a major step forward for consumers, manufacturers, and the environment.

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