

LOCAL ENERGY SUPPLY AND RESILIENCY AMENDMENT

Senator Franken (D-MN) and Senator Murkowski (R-AK)

In the United States, up to 36% of the total energy consumed is lost from power plants, industrial facilities and buildings in the form of waste heat.¹

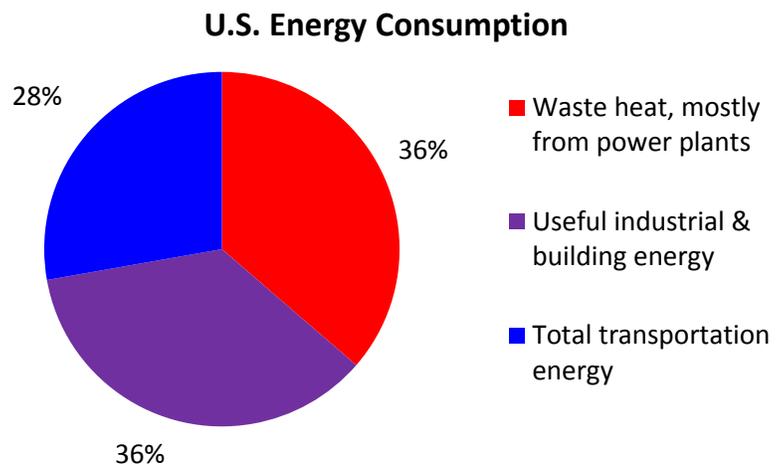
This amendment will help industry, universities, hospitals and others capture waste heat and use renewable resources for heating, cooling, and power generation. It will also strengthen our ability to keep the lights on, keep buildings comfortable and enable uninterrupted business operations. This is possible through combined heat and power (CHP) and district energy systems, which have proven to be resilient during times of natural disasters.

Reducing interest costs is the key to implementing highly efficient and resilient energy infrastructure. The amendment would 1) establish a program to provide cost-shared funding for technical assistance for feasibility studies and engineering; and 2) enable qualifying energy infrastructure projects to access lower-interest debt financing through a loan guarantee program.

Local energy supplies will enhance industrial competitiveness by helping steel mills, paper mills and other businesses develop new revenue streams. They will help communities, universities and others reduce energy costs, reduce emissions and enhance energy supply resiliency.

Technical Assistance Program. The amendment establishes a grant program in the Department of Energy to provide technical assistance for identifying, evaluating, planning and designing waste heat recovery systems for the purposes of heating, cooling, and power generation. This program helps for-profit and nonprofit entities identify opportunities, assess feasibility, overcome barriers to project implementation, conduct financial assessments and perform the required engineering.
Authorized appropriations: \$100 million over the period 2014 to 2018 ; includes an offset.

Local Energy Infrastructure Loan Guarantee Program. The amendment authorizes the Department of Energy to provide loan guarantees to projects that: 1) recover waste heat or use local renewable energy for heating or cooling; 2) generate power locally with CHP or renewable energy; 3) distribute power in microgrids, or 4) distribute heating or cooling energy to buildings. Unlike past DOE loan guarantees for innovative technologies, this program would focus on proven, commercial technologies, with the goal of reducing interest costs for local energy infrastructure.
Funds to carry out this program will come from user fees.



If you have any questions about this bill, or are interested in cosponsoring, please contact Ali Nouri at Ali_Nouri@franken.senate.gov

¹ Lawrence Livermore National Laboratory, 2012. Data is based on DOE/EIA-0384 (2011), October 2012.