

August 14, 2024

Honorable Anna Caballero, Chair
Senate Committee on Appropriations
Senate Appropriations Committee
State Capitol, 412

**RE: AB 2109 (Carrillo, J) as amended April 22, 2024, Electricity: Surcharge Exemption: Industrial Process Heat Recovery;
SUPPORT**

Dear Chair Caballero,

The American Council for an Energy Efficient Economy (ACEEE) is writing to inform you of our support for Assembly Bill 2109 (Carrillo, J), related to Industrial Process Heat Recovery (IPHR). Recovering industrial process heat and turning it into emission-free power is a proven technology. It is a timely and needed solution for addressing California's energy and climate challenges.

ACEEE, a nonprofit research organization, develops policies that reduce energy waste and combat climate change. Our independent analysis advances investments, programs, and behaviors that use energy more effectively and help build an equitable clean energy future.

This measure seeks to encourage significant new investments in IPHR technologies by having the state treat IPHR as an energy efficiency upgrade, and an investment a company would make in their normal course of business. In passing this measure, the state will be following through with its commitment under the Health and Safety Code Section 38561.2 (7)(D) placed in statute when the legislature passed SB 596 (Becker) of 2021, which instructs the state to evaluate for adoption measures to create incentives and remove obstacles to the installation of waste heat recovery systems. AB 2109 is one step for the industrial sector to become less reliant on fossil fuels by producing carbon-free electricity for self-consumption in their manufacturing processes.

It is for this reason, that ACEEE urges your favorable consideration of AB 2109 (Carrillo). California has long been viewed as a leader in climate change policies. This measure will bring California closer to its climate goals, specifically in some of the hardest-to-abate industries, such as cement manufacturing.

Sincerely,



Richard Hart
Director, Industry Program
The American Council for an Energy-Efficient Economy