



Contact: Amanda Woodrum, 216.361.9801

Reports show benefits of industrial energy efficiency Ohio has tremendous untapped potential in industrial energy

Two separate reports, released today by Policy Matters Ohio and the Alliance for Industrial Efficiency, showcase the potential of industrial energy efficiency measures to create jobs and reduce pollution in Ohio.

The industrial sector — which includes manufacturing, mining, construction and agriculture — has enormous opportunities to save energy and save money. The industrial sector is the largest energy user in the national and Ohio economy, consuming about one-third of all electricity generated. The sector could realize dramatic energy and emissions savings by investing in industrial energy efficiency and combined heat and power (CHP) technologies.

CHP is a technology that uses otherwise wasted heat and energy in the electric power sector and in industrial processes to meet manufacturers' needs for heat and power, from a single efficient, cheaper, and far less polluting source. The Policy Matters report — *Efficient Power, Good Jobs: An Energy Strategy for Ohio Manufacturing*—estimates that 4,400 jobs would be created in construction, manufacturing, operations and other sectors if the state took advantage of just 20 percent of its CHP potential.

“Ohio has a proud manufacturing tradition and there is a great economic and environmental opportunity in making it more energy efficient,” said report author Amanda Woodrum of Policy Matters Ohio, a nonprofit policy research organization working to broaden the debate about economic policy in Ohio. “One-third of all energy used in Ohio is consumed by the industrial sector, with manufacturers spending \$8.9 billion on energy in 2014. CHP is the smartest way to meet those energy needs, while reducing the pollution that drives climate change.”

The report also provides recommendations to state leaders to reduce energy waste and pollution by incentivizing the adoption of CHP. It calls for efforts to ensure that current energy production workers are not left behind, and urges the state to end barriers put up by energy monopolies that restrict the choice of manufacturers to use technologies like CHP.

“Ohio ranks in the top five states for its technical potential for CHP but we’re only 42nd in the nation in adoption,” said United Steelworkers District 1 Director Dave McCall. “We need policies to spur CHP growth, so we can get more of the state’s power from this efficient form of electricity generation. That will ensure that our industry remains competitive in the global marketplace, while growing family-sustaining jobs for Ohio workers.”

The Alliance for Industrial Efficiency’s report, *State Ranking of Potential Carbon Dioxide Emission Reductions through Industrial Energy Efficiency*, finds that the largest opportunities for industrial energy-use reductions are in manufacturing states. Ohio is a top example; through a combination of industrial energy efficiency and CHP, Ohio could save more than 15 million megawatt hours (MWh) of energy

each year, reducing carbon dioxide (CO₂) emissions by 10 million short tons (equal to the emissions of approximately three coal-fired power plants) by 2030.

Nationwide, industrial efficiency and CHP could save more than 396 MWh of energy; 174 short tons of CO₂; and realize \$298 billion in utility bill savings.

“U.S. manufacturers can become much more competitive by cutting their energy bills through industrial energy efficiency and CHP,” said Alexandra Rekkas, senior research associate at the Alliance for Industrial Efficiency. “The steps that the industrial sector takes to save energy and money will reduce CO₂ emissions by millions of tons a year—while also saving electricity customers billions of dollars from avoided electricity purchases.”

In 2015, Solvay Specialty Polymers’ plan in Marietta completed a combined heat and power project on the site. The system captured otherwise wasted heat and reused it to create power and heat for the plant — creating 10 new jobs that were filled by workers that lost their jobs at a nearby power plant that closed. Nine of those workers are still employed at the Solvay location.

“We’ve seen firsthand the impact that making our industries more efficient can have on Ohio,” said Michael P. Larson, the director of DTE Energy Services. “The Solvay project is a great example of how a business can invest in efficiency that both reduces wasted energy and also creates quality jobs for workers.”

“Making our industry more energy efficient would be a big benefit for workers, consumers, industry itself, and the environment,” said Trish Demeter, managing director of energy programs at the Ohio Environmental Council. “Our leaders in Columbus should look closely at the benefits of industrial energy efficiency to our economy and environment and implement the recommendations to ensure Ohio reaches its potential. This is just another good example of how our state can grow good jobs by protecting our environment.”

###

*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
with offices in Cleveland and Columbus.*