CALIFORNIA INSTITUTE OF TECHNOLOGY
FACILITIES
Pasadena, California 91125

May 27, 2010

I am writing in support of the University of California's position regarding CARB's pending regulation of institutions of higher education that operate Combined Heat and Power (CHP) plants as expressed in the January 11, 2010 letter from George Getgen, Director, Facilities Management Services, University of California, Office of the President.

The California Institute of Technology agrees with CARB and the University of California that CHP should play an important role in achieving the goals codified in AB 32. Caltech is on its fourth generation of CHP plant on the campus and has invested $11M to design and build the current 12.5 MW CHP plant. The U.S. EPA and DOE have recognized this plant for its efficiency. In fact, Caltech's GHG emissions would increase by about 50% if Caltech utilized grid purchased power instead of investing in a CHP plant. Caltech along with the University of California seeks assurance from CARB that Cap and Trade will not produce disincentives for the continuing operation of CHP plants, the expansion of existing CHP plants, or the development of new plants.

Additionally in support of the University of California, Caltech strongly discourages CARB from allocating allowances to generators based on historic emissions levels. This allocation method effectively rewards inefficient, heavily polluting plants while penalizing early actors who have aggressively invested in efficient CHP plants and demand-side energy efficiency measures. Over the last two years, Caltech has invested approximately $10M in energy efficiency initiatives to reduce emissions before the onset of Cap and Trade in addition to the CHP investment.

Caltech joins the University of California in applauding the goals of AB 32 and in urging CARB to consider the impact of AB 32 implementation and compliance on institutions of higher education who have already taken significant steps to reduce emissions through employing efficient CHP plants and investing in demand-side energy efficiency.

Sincerely,

Jim Cowell
Associate Vice President for Facilities