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Adam Krantz

March 6, 2017

The Honorable Rick Perry Secretary U.S. Department of Energy 1000 Independence Ave SW Washington, DC 20585

Dear Secretary Perry,

On behalf of the National Association of Clean Water Agencies (NACWA), I want to congratulate you on your confirmation as Secretary of the U.S. Department of Energy (DOE). NACWA represents the interests of nearly 300 publicly owned wastewater treatment and stormwater management agencies across the U.S., which collectively treat and reclaim the majority of the wastewater generated each day. NACWA members stand on the front lines of protecting public health, acting as responsible stewards of the environment and the citizens they serve.

NACWA has met with members of President Trump's transition team and has provided policy recommendations on an array of water and energy-related issues, including programs to diversify the nation's energy portfolio with innovative energy production techniques, such as those employed by clean water utilities. NACWA's public clean water utility members are willing and able to contribute to President Trump's stated goal of maximizing domestic energy sources while protecting our natural resources. At your earliest convenience, NACWA would like the opportunity to discuss these possibilities in more detail with you and your staff.

The clean water sector is becoming more innovative and more focused on the potential for technological advances and creative solutions to help utilities provide a critical service while maintaining affordable rates. We refer to this as the Utility of the Future initiative. As part of this initiative, utilities are moving beyond simply treating wastewater to recovering the resources embedded in that wastewater, including energy.

Municipal wastewater contains nearly five times the amount of energy needed for the wastewater treatment process. Utilities are using a variety of methods and technologies to recover and use this energy to power their processes and in some cases, produce excess energy. NACWA members are improving the resiliency of their

NACWA Letter to Secretary Perry March 6, 2017 Page 2 of 2

infrastructure and have begun to contribute to the nation's energy independence as they enhance the energy efficiency of their current processes and transition from energy intensive operations to energy recovery and production facilities.

To fully realize this opportunity to harness energy at wastewater utilities, there are several important policy issues that must be addressed. Since public clean water utilities must keep rates affordable for their communities, economic incentives can help utilities improve their energy efficiency and energy generation capabilities. These incentives include the programs offered by DOE's Office of Energy Efficiency & Renewable Energy, which have helped NACWA members reduce their energy usage, and EPA's Renewable Fuel Standards, which improve the market for the fuel produced by several NACWA members. Targeted federal investment in research could also increase energy production at wastewater utilities. For example, the largest portion of the energy embedded in wastewater is in the form of thermal energy, but further research is needed to fully utilize this potential source. Federal support for research and maintaining current beneficial programs will enable wastewater utilities to reach their full energy potential and further contribute to the nation's energy independence goals.

Again, we would appreciate the opportunity to set up a meeting with you and some of our key utility executives at your earliest convenience. Please contact me or NACWA's Director of Regulatory Affairs, Cynthia Finley, cfinley@nacwa.org or 202-533-1836, to schedule a meeting.

Congratulations again and I look forward to meeting you and discussing ways for NACWA and DOE to continue our productive collaboration.

Sincerely,

Adam Krantz

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