E-FINITY
DISTRIBUTED GENERATION

Power to be Independent
129 Pennsylvania Avenue • Wayne, PA 19087

April 15, 2013

The Honorable Kevin Brady
301 Cannon House Office Building
Washington, DC 20515

The Honorable Mike Thompson
231 Cannon House Office Building
Washington, DC 20515

The Honorable Jim Gerlach
2442 Rayburn House Office Building
Washington, DC 20515

The Honorable Linda Sanchez
2423 Rayburn House Office Building
Washington, DC 20515

Dear Representatives Brady, Thompson, Gerlach and Sanchez:

As a distributor of microturbine systems, we are writing to urge the Committee to bring much-needed parity for clean energy technologies in the tax code.

We can attest to the great benefits that microturbine technology has to offer. We believe American consumers should be able to select distributed generation technologies based purely on their merits.

By way of background, a microturbine is a small gas turbine, typically sized one megawatt and below. It is fuel flexible, meaning it can operate using liquid or gaseous fuels, including natural gas, biogas, diesel, biodiesel, methane, kerosene and propane. Because of its advanced technology and continuous combustion, no active treatment of the exhaust is needed to produce low particulate emissions, users are able to realize large reductions in greenhouse gas emissions.

Microturbines are an ideal solution for a wide range of customers such as commercial buildings, hospitals, manufacturing facilities, universities, oil and gas sites, military bases, landfills, farms and many others. Microturbines can offer businesses reliable baseload power independent of the power grid. For businesses concerned about the environmental impact of their energy consumption, microturbines are among the cleanest combustion technologies available, and are one of the few distributed generation technologies certified by the California Air Resources Board to meet its strict emissions standards.

Viking Yacht Company, a luxury boat manufacturer in New Gretna, NJ, came to E-Finity hoping to reduce electrical load and energy costs for one of the buildings at the facility, while providing hot and chilled water. With the installation of six C65 ICHP Grid Connect Capstone MicroTurbines and three 30-ton hot water-fired absorption chillers in December 2012, E-Finity has been able to reduce Viking Yacht's energy cost by 25% and provide the building with 100% of its heating and air conditioning needs and 90 tons of chilled water. Currently, the turbines handle 40% of the facility's electric load.

Microturbines can reduce energy costs while simultaneously reducing a site's carbon footprint. Nevertheless, the economics around the decision to purchase a microturbine system are not easy due to capital costs. Like any investment, there is an up-front capital expenditure, which combined with the current disparity in the tax code and other short-term financing challenges effectively reduces the positive impact of the ITC.

As you are aware, the current tax code singles out microturbines and combined heat and power systems for a 10% investment tax credit (ITC) and limits overall project size eligibility while other clean forms of power (including fuel cells powered by natural gas) receive a 30% tax credit with no project size limit. This unlevel playing field creates a skewed environment in which customers cannot make the best decision possible.

We urge you to support legislation that would create parity for microturbines and consequently would promote energy efficiency, power reliability, and job creation. Thank you for your consideration.

Sincerely,

Jeff Beiter
Managing Partner
E-Finity Distributed Generation, LLC