

Federal Energy Legislation^{1,2}

A. House – The American Clean Energy and Security Act (H.R. 2454)³

Clean Energy – creates a renewable electricity standard of 20% by 2020.

Energy Efficiency – creates new standards for buildings, appliances, and vehicles.

Global Warming – contains three primary programs for reducing carbon emissions:

1. a cap on large domestic sources of emissions;
2. a program to reduce tropical deforestation (directs EPA and the State Department to secure agreements from developing nations to prevent tropical deforestation); and
3. an offset program.

Taken together, these programs will reduce carbon emissions by 28% to 33% below 2005 levels by 2020.

Allowance Provisions – creates programs to mitigate the price increases customers will see as a result of cap and trade requirements.

Cost – The Legislation is estimated to raise federal revenues by \$846 billion over ten years and increase direct spending by \$821 billion, resulting in a net \$24 billion reduction in spending.

B. Senate – The American Clean Energy Leadership Act⁴

Clean Energy Technology Deployment

Clean Energy Financing – creates a new “Clean Energy Investment Fund” and creates a new entity housed in DOE – the Clean Energy Deployment Administration (CEDA) – to create an attractive investment environment for the development and deployment of clean energy technologies.

Renewable Electricity Standard – 15% by 2021.

Transmission Grid Provisions – intended to improve grid reliability.

Links Energy Efficiency with Water Efficiency – directs several studies to be conducted relating to the link between energy and water efficiency, to begin integrating decision-making related to both resources. Large amounts of water are consumed in generating electricity and producing

¹ Prepared by Diana Ferguson, Legislative Staff Attorney, for the FAC Energy Independence Workgroup’s June 25, 2009 meeting at the FAC Annual Conference.

² While the US House and Senate energy bills have both passed their respective energy committees, the bills must still be passed on the floor of both houses. At that point, a conference committee will be appointed and the bills must be reconciled. This is not likely to occur before September 2009.

³ The US House Energy and Commerce Committee reported this bill favorably on May 21, 2009.

⁴ The US Senate Committee on Energy and Natural Resources reported this bill favorably on June 17th, 2009. This legislation is based on 11 different bills.

fuels. Likewise, the delivery and treatment of water supplies consume massive amounts of energy.

Increases production of renewable energy on public lands.

Energy Efficiency

US Manufacturing Energy Efficiency – establishes financing mechanisms for manufacturers to adopt advanced energy efficient production technologies and processes; expands the number and expertise of Industrial Research and Assessment Centers; and establishes a Clean Tech Supply Chain Study.

Makes consumer products more energy efficient – for example, the proposed federal standards for table and floor lamps are estimated to save enough electricity by 2020 to serve 350,000 homes.

Requires energy efficient building codes.

Energy Security

Addresses cybersecurity threats.

Nuclear waste management – establishes a federal advisory commission to conduct a comprehensive study of alternative means of safely managing or disposing of spent nuclear fuel and high level radioactive waste.

US Strategic Reserves – requires the DOE to hold at least 30 million barrels of oil for emergency purposes.

➤ Increasing Production of Traditional Energy Sources

Requires an inventory and analysis of marine resources in the Atlantic, Gulf, and Alaska regions.

OPENS THE EASTERN GULF OF MEXICO TO OIL AND GAS PRODUCTION, INCLUDING THE DESTIN DOME AND EASTERN GULF PLANNING AREA.

- **Destin Dome area – no oil and gas development within 10 miles of the coastline.**
- **Eastern Gulf Planning Area – no oil and gas development within 45 miles of the coastline.**
- **There is no provision for royalties to the State of Florida or its local governments.**

Alaska Natural Gas Pipeline Expansion.

Energy Innovation and Workforce Development

Increases research and development.

Facilitates carbon capture, transportation, and storage.

Energy Markets

Improves energy market information – contains several measures designed to increase the transparency of energy markets.