



Legislative Bulletin.....August 4, 2007

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H.R. 2776—Amendments to the Renewable Energy and Energy Conservation Tax Act

H.R. 3221— Amendments to the New Direction for Energy Independence, National Security, and Consumer Protection Act

H.R. 2776, the Renewable Energy and Energy Conservation Tax Act (sponsored by Rep. Charlie Rangel, D-NY), and H.R. 3221, the New Direction for Energy Independence, National Security, and Consumer Protection Act (sponsored by Rep. Nancy Pelosi, D-CA), are scheduled to be considered on the House floor on Saturday, August 4, 2007, subject to a structured rule that would prohibit amendments to H.R. 2776, self-execute (i.e. automatically adopt without debate or a vote) one large amendment to H.R. 3221, and make in order 23 other amendments to H.R. 3221, each debatable for 10 minutes.

The rule waives all points of order against consideration of each bill, except those regarding PAYGO and earmarks, allows the Chair to postpone consideration of either bill at any time during its consideration, and allows one motion to recommit with or without instructions for each bill.

If both bills pass the House, the text of H.R. 2776 would be appended to H.R. 3221, and H.R. 2776 would be laid on the table. In other words, the two bills will be considered separately but would be merged together into one bill at the end of the process.

The summaries below are based on RSC staff's review of *actual amendment text*. For a summary of the underlying bills, see separate RSC documents released on Thursday, August 2nd.

Note: All Republican Members of the Rules Committee boycotted the Rules Committee meeting at which this rule was crafted.

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Self-Executing Manager's Amendment to H.R. 3221. (Note: No debate or vote will occur for this amendment. Upon passage of the rule, this amendment will automatically be added to the underlying text of H.R. 3221.) Highlights of the amendment include:

- Authorizes an "H-Prize" awards program through FY2018 to give \$50 million cash prizes for innovative hydrogen energy technologies.
- Reduces the FY2012 authorization for biorefinery loan guarantees by \$50 million (to \$250 million), yet extends the authority for the program by five additional years (to FY2017).

- Extends the authority for Rural Energy for America program by five additional years (to FY2017).
- Reduces authorizations for the biomass research program by hundreds of millions of dollars over ten years, but extends the program by two additional years (to FY2017).
- Reduces authorizations for the bioenergy program by a total of \$279 million over five years, yet extends the authority of the program for five additional years (to FY2017).
- Adds a Feedstock Flexibility Program.
- Directs the Capitol Power Plant to take such steps as necessary to reduce the energy efficiency of the steam boilers there.
- Divides the deadline for the required rule for standby mode efficiency into separate deadlines for different appliances and accelerates the deadlines.
- Requires the development of energy conservation standards for battery chargers.
- Sets design and energy standards for walk-in coolers and walk-in freezers for January 2009 and thereafter.
- Sets design and energy standards for metal halide lamp fixtures for January 2009 and thereafter..
- Makes a variety of technical and clarifying changes.
- Brings the underlying bill into compliance with PAYGO (according to CBO).

The 23 Amendments Made in Order to H.R. 3221:

1. Blumenauer (D-OR). Amends title IX of the Public Utilities Regulatory Policies Act of 1978 to encourage natural gas utilities to promote energy efficiency. Requires state regulators to develop rate policies that align revenue recovery measures with incentives for energy conservation.

2. Shays (R-CT). Increases the authorization amount for the weatherization assistance program in section 9034(a) from \$600 million in FY 2007 to \$1.2 billion, and \$750 million in FY 2008 to \$1.4 billion.

3. Hooley (D-OR) / McCaul (R-TX) / Matheson (D-UT). Authorizes \$200,000 for each of the fiscal years 2008 – 2012 for a study on the effects of sustainable building features on multiple indoor environmental quality stressors affecting K-12 students. Requires that this study be conducted by the Secretary of Education and the Secretary of Energy.

4. Pitts (R-PA). Exempts boilers that operate without electricity supply from the energy efficiency requirements described in section 9003(4) regarding appliance efficiency.

5. Terry (R-NE). Amends title IX by adding a section to encourage the installation of geothermal heat pumps by the federal government. Requires that the Administrator of General Services conduct a review of current geothermal heat pump technologies and examine the use of geothermal heat pumps by the federal government. Directs the Administrator to establish a “geothermal heat pump technology acceleration program to achieve maximum feasible replacement of existing heating and cooling technologies with geothermal heat pump technologies.” Requires that the Administrator establishes a timetable to replace federal heating and cooling systems with geothermal heat pumps, with the goal of completing all replacement measures no later than five years after the enactment of this Act. Requires that a plan be submitted to Congress that includes a schedule for the replacement of heating and cooling systems, and language regarding uniformity

standards for use by any federal agency in the implementation of geothermal heat pump replacement technology.

6. Udall (D-NM)/ Pallone (D-NJ)/ Van Hollen (D-MD)/ Waxman (D-CA)/ Udall (D-CO)/ Rodriguez (D-TX)/ DeGette (D-CO)/ Platts (R-PA). (Commonly known as the “RPS” amendment—renewable portfolio standard). Requires electric suppliers, other than governmental entities and rural electric cooperatives, to provide 15% of their electricity using renewable energy resources by the year 2020. This requirement would start at 2.75% in 2010, increase steadily to 15% in 2020, and remain at 15% through 2039. Creates renewable energy credits (able to be purchased or traded by the supplier, as further detailed in the amendment), which may be used to satisfy up to 27% of an electricity suppliers renewable energy requirement in any given year. But a governor would have to petition for the right of utilities in his or her state to use efficiency credits for up to 25% (inconsistent with earlier 27%) of the RPS obligation. Excess credits could be carried forward for up to three years, and credits may be borrowed from the federal government under certain circumstances before 2012. Also provides for energy efficiency credits for retain electricity consumers that reduce and/or recycle their electricity usage compared to a base year or facility. Directs the Secretary of Energy to create, by the end of 2009, a state renewable energy account program (funded by alternative payments under the credits programs—payments mad in lieu of credits). This program would make discretionary grants to states to promote renewable energy generation and energy efficiency.

NOTE: The Udall amendment is being opposed by the Edison Electric Institute, as well as the U.S. Chamber of Commerce, the National Association of Manufacturers, and the United Mine Workers of America. These entities cite reasons such as the problems with a one-size-fits-all standard for all states (when renewable resources vary state-to-state), the preemption of state RPS standards, the likely spike in electricity prices, and the very nature of a federal mandate that does not account for market forces associated with renewable energy.

7. Van Hollen (D-MD). Adds a sixth policy option to the bill’s existing “State Must Consider” language requiring state regulatory authorities to consider offering home energy audits, publicizing the financial and environmental benefits associated with making home energy efficient improvements, and educating homeowners about all existing federal and state incentives, including the availability of low-cost loans “that make home energy efficiency improvements more affordable.”

8. Schwartz (D-PA). Amends title IX to require that all federal government agencies consider the environmental practices and features of a vendor before contracting with them for agency meetings/conferences, similar to the current policy in place at the Environmental Protection Agency with regards to the procurement of vendor services.

9. Arcuri (D-NY) / Hinchey (D-NY) / Hall (D-NY). Amends title IX to repeal federal government eminent domain authority for use by companies permitted by the Federal Energy Regulatory Commission (FERC) to build or alter transmission lines within National Interest Electric Transmission Corridors. Amends section 216(e) of the Federal Power Act to require that any company with permission to proceed in the building/altering of said transmission lines remain in accordance with state law for the state where the property is located.

10. Hodes (D-NH) / Welch (D-VT). Requires the Energy Secretary, within 120 days of enactment, to conduct a study regarding the rebate program described in section 206(c) of the Energy Policy Act of 2005, and submit a report to Congress on the study. The study must 1) develop a plan for how a rebate program would be carried out if it were funded, and 2) determine the minimum amount of funding the program would need to receive in order to accomplish the goal of encouraging consumers to install renewable energy systems in their homes or small business. The rebate program was described in the Energy Policy Act as “a program providing rebates for consumers for expenditures made for the installation of a renewable energy system in connection with a dwelling unit or small business.”

11. Murphy (R-PA). Restores the Energy Information Administration’s data collection on coal-based facilities by modifying Sec. 9502(a) of H.R. 3221 to add “improvements in data on solid byproducts from coal-based energy-producing facilities” after “oil and gas data.”

12. Murphy (D-CT). Requires that FERC meetings discussing land use permits be held in the affected locality, if at least five individuals or an organization representing at least 30 people in the affected locality request such a meeting. In addition, if a request for reconsideration is granted and the request was filed before enactment of this section and a hearing was not held, the Commission must go back and hold a hearing.

13. Sali (R-ID). Expresses a sense of Congress that “Congress recognizes and supports renewable energy. Specifically, the clean, consistent, pollution-free large and small-scale conventional hydropower energy.”

14. Welch (D-VT). Authorizes such sums as necessary to establish a grant program for colleges and universities to invest in sustainable and efficient energy projects. Establishes the maximum award for efficiency grants at \$1 million, and \$500,000 for sustainability grants. In addition, requires that no less than 50% of funds go to institutions that have an endowment of no more than \$100 million, and the remaining 50% to institutions with an endowment of no more than \$50 million.

15. Castle (R-DE) / Delahunt (D-MA). Requires the Interior Secretary, acting through the Minerals Management Service and within 30 days of enactment, to submit a report to Congress on the status of regulations required to be issued (under section 8(p)(8) of the Outer Continental Shelf Lands Act; 43 U.S.C. 1337(p)(8)) regarding the production of wind energy on the Outer Continental Shelf.

16. Wu (D-OR). Authorizes \$25 million for a new grant program for universities to research and develop renewable energy technologies. Requires that grants not exceed \$2 million, and that priority be given to universities in low-income, rural communities and universities involved in joint ventures with Indian tribes. Requires that priority be given to universities with a proximity to trees dying of insect infestation.

17. Giffords (D-AZ). Amends title IV to create a Solar Energy Industries Research and Promotion Board to increase consumer awareness of solar energy options nationwide. No federal appropriations are authorized, as this program would be funded through industry revenues.

18. Tauscher (D-CA) / Rogers (R-MI). Creates a new, two-year pilot program to increase the use of vanpooling and the number of vanpooling services. Requires that a report be submitted to Congress on the effectiveness, efficiency, and costs of vanpooling.

19. Holt (D-NJ). Requires the Center for Climate Change Environment and the Environmental Protection Agency to examine the potential fuel savings from various transportation systems, including web-based real-time transit information systems, congestion information systems, carpool information systems, parking information systems, freight route management, and traffic management systems.

20. Hastings (D-FL). Expresses the following findings:

- “the United States is the world's largest consumer of oil;
- “the United States accounts for 25 percent of global daily oil demand-despite having less than 3 percent of the world’s proven reserves;
- “6 of the top 10 suppliers of United States crude oil imports rank in the bottom third of the world’s most corrupt countries, according to Transparency International;
- “corrupt and non-transparent foreign governments have a much higher risk of instability and violent unrest, often leading to disruptions of energy supplies. In addition, the citizens of such countries often remain impoverished despite significant resource wealth;
- “oil is a fungible commodity. Therefore supply disruptions due to political instability in other parts of the world affect United States domestic price and supply regardless of the source of supply; and
- “transparency in extractive revenue transactions is important to decreasing corruption and increasing energy security;
- “the Extractive Industries Transparency Initiative (EITI) serves to improve investment climates through the audited disclosure of revenue pay merits.”

Expresses the sense of Congress that the U.S. should further global energy security and promote democratic development in foreign countries that are rich in natural resources by encouraging them to be more active in the Extractive Industries Transparency Initiative (EITI) and other international initiatives. Requires that a report be submitted to Congress on the progress made in the promotion of transparency in “extractive industries resource payments.” More information on the EITI can be found at: <http://www.eitransparency.org/section/abouteiti>

States that it is the policy of the United States to increase energy security by decreasing energy reliance on corrupt foreign governments and to promote global energy security through promotion of programs such as EITI that seek to instill transparency and accountability into extractive industries resource payments.

21. Solis (D-CA) / Carnahan (D-MO). Requires that a report be submitted to Congress regarding the current and anticipated needs of developing countries in adapting to climate change. In addition, the report would have to include a strategy to address these needs and identify possible funding sources.

22. Cleaver (D-MO). Prohibits federal agencies, including any legislative branch office, from acquiring a light-duty motor vehicle or medium-duty passenger vehicle that is not a “low greenhouse gas” emitting vehicle. (NOTE: This prohibition is already in the underlying bill.) This

amendment would also specifically prohibit funds from any Member's MRA (i.e., office budget) from being used to acquire such vehicles, including under long-term lease agreements.

23. Sarbanes (D-MD) / Wolf (R-VA). Would amend title VI to require federal agencies to develop and implement a telework (work from home) policy for eligible employees (not including those who handle secure materials or special equipment, or those who decline such a work option).

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