



## TODAY'S CALL TOPIC

### Clean Energy Legislation in the 112<sup>th</sup> Congress

#### Speakers:



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Climate Communities

#### Upcoming Events

**JUNE 15-17, 2011**

**Local Clean Energy  
Leadership Summit  
Washington, DC**

[www.localenergysummit.org](http://www.localenergysummit.org)

**March 17, 2011**

**For more information: [www.climatecommunities.us](http://www.climatecommunities.us)**



## Upcoming Events

### **Local Government Clean Energy Summit**

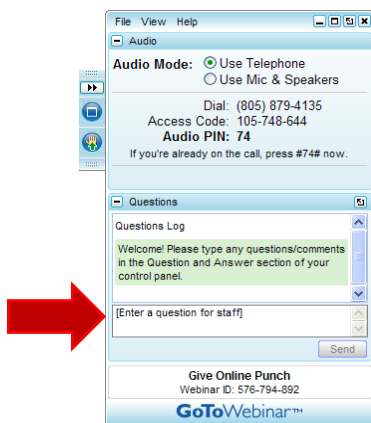
**Washington, DC**

**June 15-17, 2011**

- Major energy efficiency and renewable energy conference for local government sector.
- Demonstrate success of EECBG and other federal investments in local clean energy projects
- Share best practices.
- Urge Congress and the Obama Administration to make further clean energy investments in local governments.
- For more information, visit [www.localenergysummit.org](http://www.localenergysummit.org).



## Asking questions



At any point during the presentation, you can type your question into the question text box and click send. All questions will be read aloud and answered at the end of the presentations, as long as time permits.



## Agenda

- i. **Review of Political Context**
- ii. **National Clean Energy Standard**
- iii. **Clean Energy Deployment Administration**
- iv. **Electric Vehicle Deployment**
- v. **Political Analysis**



## Overview of Political Context



- Republicans control House 241-192 (2 seats currently vacant)
  - 176 Representatives are members of the conservative Republican Study Committee
  - 87 Representatives are freshmen Republicans
- Democrats control the Senate 53-47 (60 votes needed to break a filibuster)
- Any major energy legislation will not only require a coalition between Democrats and moderate Republicans, but also with conservative Republicans



## Overview of Political Context

### Senate Natural Resources Committee Chairman Jeff Bingaman (D-NM)

- Will retire in 2012 rather than run for re-election
- A national renewable energy standard is one of his biggest priorities and would be a lasting legacy from his tenure in the Senate



### House Energy and Commerce Committee Chairman Fred Upton (R-MI)

- In 2007 called for a non-binding national target of producing 25% of energy from renewable resources
- Has supported incentives for renewable energy and alternative fuel vehicles in the past
- Michigan currently has a State Renewable Standard of 10% by 2015
- Since becoming Chairman has become more conservative on energy issues





## Support for Clean Energy Legislation

### National Renewable Energy Standard

- Renewable energy standard included in Waxman-Markey bill that passed the House and several Senate bills with bipartisan support
- 32 states already have some form of a clean energy standard

### Clean Energy Deployment Administration (CEDA)

- Included in Waxman-Markey bill that passed the House
- Included in Renewable Energy Standard legislation introduced in the Senate
- Similar in structure to National Infrastructure Banks that have been proposed for transportation and water infrastructure



### Electric Vehicle Deployment Legislation

- Bipartisan support in both the House and Senate
- President Obama has called for the deployment of 1 million electric vehicles by 2015
- Administration's FY 2012 budget includes request for \$200 million for electric vehicle deployment



## Clean Energy Standard – The Basics



- Requires electric supply utilities to generate a certain percentage of their overall electricity portfolio from clean energy sources within a designated timeframe
  - May include exceptions for smaller utilities
- U.S. Department of Energy would be charged with enforcement and verifying compliance
- Creates a Clean Energy Credit market where generators of clean energy can sell credits on the open market to utilities who can need to meet requirements
- Could be paired with an energy efficiency target as well, which would mandate improvements in efficiency



## Clean Energy Standard – Outstanding Issues

**What energy resources would qualify under national standard?**

- Solar
- Wind
- Water (hydro and tidal)
- Geothermal
- Biomass
- Landfill gas
- Nuclear
- Energy Efficiency
- Fuel Cells
- Clean Coal/CCS?
- Natural gas?
- Municipal solid waste?

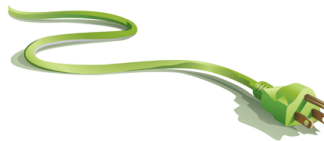


## Clean Energy Standard – Outstanding Issues

**What percentage and in what timeframe?**

- In State of the Union, President Obama suggested 80% by 2035
- In 2010 there was bipartisan support in the Senate for a renewable energy (not clean energy) standard of 15% by 2021
- Sen. Lindsey Graham has supported a clean energy standard of 50% by 2050
- Waxman-Markey included renewable energy standard of 20% by 2020





## CEDA – The Basics

- CEDA would be a new public financing body with an explicit mission to speed the adoption of new clean energy, energy infrastructure, energy efficiency and manufacturing technologies through deployment and demonstration projects
- An Administrator would be appointed to head CEDA, along with a Board of Directors, and CEDA would require capitalization with federal funding
- Applicants would compete for assistance through a wide variety of potential financing instruments, including direct loans and loan guarantees



## CEDA – Outstanding Issues

### What criteria will be used to select projects for funding?

- Immediate impact vs. potential future impact (R&D vs. deployment)
- Energy security vs. GHG reductions vs. cost effectiveness
- Financing a wide range of technologies (wind, solar, smart grid, etc.) vs. focusing on a few promising areas
- Only large projects (\$50-100M+) or smaller projects (\$1-5M) as well





## EV Deployments – The Basics



- Goal is to deploy between 600,000-700,000 EVs within 5 years
- DOE would select between 5-15 deployment communities (including one of 125,000 or less)
- Deployment communities would receive grant funding for charging infrastructure, building code updates, workforce training, etc., as well as targeted federal tax credits in addition to existing tax credits



## EV Deployments – Outstanding Issues

- Target a few number of deployment communities (5-8) or a larger number (15-20)?
- Ensure diversity of selected communities includes geographical diversity, rural/urban?
- Include supplemental incentives, including new bonding authority for local governments to pay for charging infrastructure?
- Include financing to help expand EV market, including loan guarantees for batteries, grants for workforce training, etc.





## Political Analysis – Japan’s Impact

### Background

- The nuclear crisis in Japan has presented a new political challenge to domestic nuclear promotion
- Key Congressional Democrats have urged caution with moving forward on nuclear
- Republican leadership in both the Senate and House have indicated that they remain very supportive of nuclear

### Potential Outcomes

- If opposition to nuclear energy becomes strong enough, it could cause enough Democratic defections to derail energy legislation
- Opposition to nuclear energy could also lead to Republican compromise on a clean energy standard rather than risk all chances of expanding domestic nuclear production



## Political Analysis – Potential Legislation

### Clean Energy Standard

- A national clean energy standard would be the primary feature of a large energy policy bill and could not pass outside of such legislation

### CEDA

- Part of a larger energy bill
- Part of current National Infrastructure Bank, such as that proposed by bipartisan BUILD Act

### Electric Vehicle Deployment

- Part of a larger energy bill
- As part of annual appropriations bills





## Political Analysis – Key Political Players

### Senate

#### *Leaders*

- Sen. Jeff Bingaman (D-NM)
- Sen. Lindsey Graham (R-SC)



#### *Deal Makers*

- Majority Leader Harry Reid (D-NV) – Yucca Mountain
- Sen. Susan Collins (R-ME)
- Sen. Lamar Alexander (R-TN)
- Sen. John Ensign (R-NV)



#### *Must-Haves*

- Sen. Lisa Murkowski (R-AK)
- Sen. Scott Brown (R-MA)
- Sens. Rockefeller and Manchin (D-WV)



## Political Analysis – Key Political Players

### House

#### *Leaders*

- ?

#### *Deal Makers*

- Speaker John Boehner (R-OH)
- Rep. Nancy Pelosi (D-CA)
- Rep. Henry Waxman (D-CA)
- Rep. Ed Markey (D-MA)

#### *Must-Haves*

- Rep. Fred Upton (R-MI)



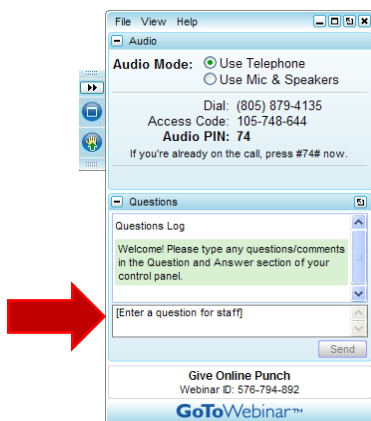


## Political Analysis – Conclusions

- The Senate and the White House will be the driving forces behind clean energy legislation
- In order to pass the House, clean energy legislation will need to form a strong bipartisan coalition, due to significant defections possible on both sides
- If the Japanese crisis makes nuclear power unpopular for a significant period of time, clean energy legislation becomes much less likely
- Priorities may be folded into larger legislative proposals, including National Infrastructure Bank and annual appropriations



## Asking questions



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# Questions?