



## **Instant Impact Legislative Update for Week Ending June 26**

### **1. House Passes Comprehensive Energy Bill (H.R. 2454) by a Slim Margin**

The American Clean Energy and Security Act (H.R. 2454) passed the House on June 26, 2009 on a 219-212 vote. Forty-four Democrats voted against the bill, and eight Republicans voted for it. The opposition to the bill cut along regional lines as well as opposition to potential costs on consumers. The bill sets a 20 percent renewable electricity standard by 2020; requires a 17 percent reduction in carbon emissions by 2020 and 83 percent by 2050; invests \$90 billion for energy efficiency and renewable energy technologies; and allocates \$60 billion for carbon capture and sequestration. The bill creates a highly controversial cap-and-trade program which requires polluters to pay while giving those who reduce emissions credits to trade.

Unlike the Senate where any Senator can offer an amendment to any bill, the House rules restrict amendments to be offered to those approved by the House Rules Committee. The Committee allowed two amendments out of the 400 requested amendments to be considered on the House floor. The first amendment incorporated changes requested from House Energy and Commerce Committee Chairman Henry Waxman (D- CA), and was adopted. The language included changes sought by House Agriculture Chairman Collin Peterson (D- MN) giving the Agriculture Department, instead of the EPA, jurisdiction over the carbon offset program for agricultural activities. It also included free emission credits to rural electric cooperatives. Additionally, a new independent financing agency was created, the Clean Energy Deployment Administration, which would provide \$7.5 billion in federal loans for emerging technologies, including nuclear power. Waxman's amendment also limited an EPA program to develop procedures to label buildings for their energy performance characteristics, the Building Energy Performance Labeling program, to new construction, rather than including retrofit renovations.

The second amendment, which was rejected by a vote of 172-256, was the Republican substitute proposal from Representative Randy Forbes (R- VA) that was proposed to replace the text of Waxman's bill with the New Manhattan Project for Energy Independence (H.R. 513). Forbes' substitute would have established science and technology grant programs and competitions for the development of more efficient means of biofuel production and cost-effective technology to attain 70 miles per gallon corporate average fuel economy standards without significantly increased cost, as well as carbon sequestration technology and the development of a sustainable nuclear fusion reaction. Click [here](#) for the text of H.R. 513.

During a speech from the White House Rose Garden, President Obama pushed Congress to "create a system of clean energy incentives designed to jump start the economy, address carbon pollution and result in significantly reduced U.S. emissions." While President Obama predicts that this legislation could make renewable energy a "driver of economy growth", he

expressed concern over a part of the bill that requires imposition of tariffs on countries that do not reduce their with emissions reductions, warning that it could deepen a worldwide recession. The Congressional Budget Office has estimated that H.R. 2454 would increase energy costs by \$175 per household per year. Click [here](#) to read the report. However, analysis from the EPA shows that H.R. 2454 would raise household energy costs on average an extra \$80 to \$111 a year. Click [here](#) to read the EPA's analysis, findings on household energy costs are found on slide number four.

The Senate's jurisdiction covers two Committees: the Senate Energy & Natural Resources Committee, and the Senate Environment & Public Works Committee. The Senate Energy & Natural Resources Committee passed its bill on June 17 that would expand offshore drilling and increase production of alternative energy including nuclear power. The Environment & Public Works Committee will tackle the environmental parts of the bill such as emissions reductions and cap and trade. Majority Leader Harry Reid (D- NV) has stated his wish that a comprehensive bill be considered on the Senate floor sometime this fall. He has also indicated that energy legislation will be considered after comprehensive health care reform.

Click [here](#) to read the summary of H.R. 2454, click [here](#) for the full text of the bill. Future Congressional action on comprehensive energy legislation is now in the hands of the Senate, a vote is expected sometime this fall. Despite the push from the Obama Administration, the framework that has been laid out by House Energy and Commerce Committee Chairman Waxman is far less certain in the Senate.

If you have any comments you'd like to share, please email [Megan Markoff](mailto:Megan.Markoff).

## **2. Healthcare Continues to be Front and Center as the Senate Breaks for July 4th Recess**

Congress went home this week without producing a major health care bill as many in Congress had hoped. Before breaking for July recess, Senate Finance Committee Chairman Max Baucus (D-MT), reported that the Committee will focus its energies on how Congress will pay for the reform over the Fourth of July recess. The Committee hopes to produce a bill ready for consideration shortly after Congress returns to session on July 6. Some of the revenue raisers being considered to pay for the bill are Medicare cuts, new penalties for employers who do not offer health insurance and a tax on health benefits and/or limiting deductions for employees. Ranking Member Charles Grassley (R- IO) has said that talks were moving forward but a lot of decisions have yet to be made. Grassley has expressed concern about raising taxes to help pay for a healthcare overhaul. According to Senate Budget Committee Chairman Kent Conrad (D-ND), also a member of the Finance Committee, the Committee is seeking to reduce the cost to \$1 trillion. The HELP Committee will continue working on its version, considering a host of amendments proposed by Committee Members. Last week, three House Committees held hearings on the HELP discussion draft, click [here](#) to read, which will eventually be turned into legislation.

With respect to small business, the Senate Finance Committee is paying close attention to a proposal that Senators Durbin, Snowe and Lincoln introduced, and WIPP supports, the SHOP ACT (S. 979). This legislation creates a nationwide health insurance purchasing pool for small businesses and the self employed. Click [here](#) to view the text of the bill.

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### **3. Environmental Research Programs for Small Business Extended by House Committees**

The House Science and Technology Committee approved three pieces of legislation on June 24, 2009 designed to enhance and extend small business and environmental research programs.

H.R. 2965, passed by the House Science and Technology Committee, would expand and update the Small Business Innovation and Research (SBIR) and Small Business Transfer Technology (SBTT) programs, both overseen by the SBA. The SBIR and SBTT programs, both set to expire in July 2009, would be extended through 2011. This legislation would provide nearly \$27.5 million for the SBA to support commercialization efforts in the SBIR and SBTT programs and nearly \$10 million for outreach and support programs in FY 2010 and FY 2011. The Committee voted in favor an amendment sponsored by Representative Adrian Smith (R- NE) that adds the Office of Management and Budget to the list of agencies that must be reviewed annually for complying with small-business program requirements. Click [here](#) to read the text of the bill. The SBIR and SBTT programs have joint jurisdiction from two Committees; the House Small Business Committee passed H.R. 2965 on June 11, 2009 and marked up the bill on June 25, 2009. Now that both Committees have passed the bill, H.R. 2965 is cleared for floor action.

The second piece of legislation passed by the House Science and Technology Committee, H.R. 2729 sponsored by Representative Ray Luján (D- NM), would make the seven existing national environmental research parks permanent and provide oversight for research and educational outreach programs at those parks. This bill would authorize \$5 million for each of the seven parks, more than \$35 million total, for a five-year period. The Committee approved an amendment proposed by ranking member Ralph Hall (R- TX) that clarifies the act to not limit the activities that the government may carry out in the national research parks. Another amendment was approved by the Committee, sponsored by Representative Eddie Bernice Johnson (D- TX), that would add a new section to the bill to allow research parks to hold summer educational programs, which are authorized in the Department of Energy Science Education Enhancement Act of 1990.

The third piece of legislation approved by the House Science and Technology Committee is H.R. 1622, introduced by Representative John Sullivan (R- OK). This bill would reauthorize the natural gas vehicle program created in the Energy Policy Act and focus on improving the reliability, efficiency and cleanliness of natural gas vehicles. H.R. 1622 seeks to establish a five-year research and development program for natural gas vehicles led by the DOE in conjunction with the EPA. An amendment proposed by Representative Brian Bilbray (R- CA) was approved by the Committee, which would require that the program's products and technologies meet both federal and state requirements to streamline and improve the program to avoid potential jurisdictional issues.

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### **4. White House Announces New Lighting Standards**

Keeping the focus on climate change legislation, President Obama and Energy Secretary Chu have disclosed a plan today that directs \$346 million in economic stimulus money to help improve energy efficiency in all major types of commercial buildings as well as new and existing homes. With lighting contributing to 7 percent of U.S. energy consumption, the

Administration says the changes will save enough electricity from 2012 through 2042 to power every home in the U.S. for up to 10 months, and will result in an annual savings for consumers of between \$1 billion to \$4 billion over that thirty-year period. The new standards will take effect in 2012 and cover fluorescent and incandescent lamps and lighting equipment in households and commercial building. Click [here](#) for more information on appliances and commercial equipment standards from the DOE; click [here](#) to read the DOE's press release on the new standards.

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