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## **Comparison of HR4 and S1766**

Last year the Administration came out with an energy plan and the Democratic Caucus followed with a plan of its own. These plans are expressed in legislation as the SAFE Act, HR4 (Republicans) and the Energy Policy Act of 2002, S1766 (Democrats) with a number of modifications.

Each bill contains an array of worthy conservation measures including energy efficiency goals for federal buildings, low-income weatherization, grants for schools and hospitals, and higher efficiency standards for consumer appliances.

The Republican bill provides for exploration for oil in a small portion of the Arctic National Wildlife Reserve, a position supported by labor.

The AFL-CIO also supports R&D of clean coal technologies and incentives to put these technologies to use.

Both bills contain increases for low-income energy assistance, a program that is vital for low-income families.

Reauthorization of Price-Anderson is appropriate at this time as contained in the Democratic bill.

Climate change provisions calling for a GHG database and more research are appropriate, but the case has not been made for the increase in bureaucracy that S1766 would bring about.

The electricity provisions in S1766 are not appropriate in a bill designed to increase energy efficiency and adequate supply. These provisions lay the groundwork for more electricity deregulation, a step that has been called into question by the failed experiment in California and the bankruptcy of ENRON. Electricity policy makers should take a step back to review this issue before taking further steps that might jeopardize the affordability and adequate supply of electricity.

	<b>HR4, Republicans</b>	<b>S1766, Democrats</b>
<b>Conservation and energy efficiency</b>	<p>-Raises authorization for energy efficiency activities by 5 percent per year through 2006</p> <p><b>Buildings</b></p> <p>-Sets stricter standards for energy conservation in federal buildings to reduce energy use by 35 percent in 2010 and 45 percent by 2020 compared with 1985.</p> <p>-Directs the Secretary of Energy to establish an Advanced Building Efficiency Testbed program for the development, testing, and demonstration of advanced engineering systems, components, and materials to enable innovations in building technologies.</p> <p>-Sets up 3 year reviews and a goal of 25 percent improvement in energy efficiency for federal buildings.</p> <p>-Extends the grant program for increasing energy efficiency in schools and hospitals.</p> <p>-Provides for substantial increase in the authorization for the weatherization of homes of low-income individuals and families. Authorization would rise from \$273 million in 2002 to \$500 million in 2005.</p> <p>-Establishes in the Department of Energy the High Performance Public Buildings Program which can provide grants to local governments for construction or renovation of high-performance (energy conserving) buildings.</p> <p><b>Transportation</b></p> <p>-Allows for operation of hybrid and alternative fuel vehicles in two person HOV lanes.</p> <p>-Establishes a public-private research partnership with railroad carriers, locomotive manufacturers for the advancement of railroad technology efficiency.</p> <p>-Fuel economy standards would be set for non-passenger automobiles manufactured in model years 2004 through 2010 that are calculated to ensure that the aggregate amount of gasoline projected to be used in those model years is at least 5 billion gallons less than would otherwise be</p>	<p><b>Buildings</b></p> <p>-Greater authorization for low-income weatherization program to \$325 million in 2003 increasing to \$500 million in 2005.</p> <p>-Requires a 20 percent improvement of energy efficiency of federal buildings by 2011.</p> <p>-FHA mortgage insurance can be raised 30 percent (up from 20) with solar energy system.</p> <p><b>Transportation</b></p> <p>-Requires increase in fuel economy for government automobiles; 3mpg by Sept 2003.</p> <p>-DOE grants to states to encourage scrapping of fuel inefficient vehicles.</p> <p>-Pilot grants for green school buses.</p> <p>-Requires 2 billion gallons of renewable fuel blended into gasoline beginning in 2003 rising to 5 billion 2012.</p> <p><b>Other</b></p> <p>-Requires government procurement to raise energy efficiency of products purchased.</p> <p>-Requires energy efficiency labeling of additional products.</p> <p>-Enacts a higher conservation standard for central air conditioning units and heat pumps.</p> <p>-Energy conservation standards for additional consumer and commercial products in standby mode, ceiling fans, vending machines, commercial refrigerators, and unit heaters.</p> <p>-Standards for exit signs torchiere lamps, and low-voltage dry-type transformers.</p> <p>-Federal government use of renewable energy must be 3 percent in 2003-4 rising to 7.5 percent in 2010.</p> <p>-Establishes renewable portfolio standard for the electric power industry of 2.5 percent in 2005 rising .5 percent per year to 10 percent in 2020.</p>

	<p>used.</p> <ul style="list-style-type: none"> <li>-Requires an increase in gas mileage for government owned automobiles.</li> <li>-Requires government agencies to purchase hybrid and alternative fuel vehicles to 10 percent of their fleet.</li> <li>-Grants to State and local governments to purchase alternative fuel vehicles for passengers and delivery.</li> <li>-Pilot program for awarding grants for the demonstration and commercial application of alternative fuel school buses and ultra-low sulfur diesel school buses.</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>-Provides for the extension of Energy Star labeling to other areas including light commercial heating and cooling equipment and homes and buildings.</li> <li>-Provides for energy efficiency labeling of a wider variety of products.</li> <li>-Limits electronic goods to 1 watt of consumption in standby mode.</li> <li>-Requires the development of energy efficiency standards for ceiling, furnace, and air conditioner fans.</li> <li>-Provides grants for the development of micro-cogeneration energy technology to provide small-scale combined heat and power through the use of residential heating appliances.</li> </ul>	
<p><b>Energy R&amp;D</b></p>	<p><b>Nuclear</b></p> <ul style="list-style-type: none"> <li>-Advanced concepts and scientific breakthroughs in nuclear fission and reactor technology to address and overcome the technical and scientific obstacles to the expanded use of nuclear energy.</li> </ul> <p><b>Fossil</b></p> <ul style="list-style-type: none"> <li>-Research for clean coal technologies of \$172,000,000 for fiscal year 2002, \$179,000,000 for fiscal year 2003, and \$186,000,000 for fiscal year 2004.</li> <li>-Ultra deep water technologies for oil and natural gas.</li> <li>-Clean coal power initiative – authorization of \$200,000,000 for each of the fiscal years 2002 through 2011. Eighty percent of the funds earmarked for coal gasification projects. Projects must advance</li> </ul>	<p><b>Nuclear</b></p> <ul style="list-style-type: none"> <li>-\$100 million in 2003 and \$200 million for the DOE complex</li> <li>-Research grants; plant optimization; roadmap for new nuclear energy power plants</li> <li>-fusion</li> </ul> <p><b>Fossil</b> -Authorizes funding from \$485 in 2003 to 558 in 2006 for coal, oil, natural gas and transportation fuels.</p> <ul style="list-style-type: none"> <li>-\$200 million per year for carbon sequestration, gasification, and other coal-based technologies.</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>-Funding for energy efficient housing, industrial energy efficiency, and transportation energy efficiency programs from \$700 million in 2003 to \$983 million in 2006.</li> <li>-Public private research to improve railroad locomotive technologies.</li> </ul>

	<p>efficiency, environment, and cost competitiveness well beyond facilities now in operation</p> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>-Establishes the "Next Generation Lighting Initiative to develop more efficient, longer lasting, and cost effective lighting technologies.</li> </ul>	<p>Authorizations of \$60 million in 2003 and \$70 million in 2004 provided.</p> <ul style="list-style-type: none"> <li>-Authorizes funding from \$500 million in 2003 to \$733 in 2006 for wind power, photovoltaics, solar thermal, biomass and biofuel, geothermal, hydrogen, hydropower, and electric energy and storages systems.</li> <li>-Establishes a lighting initiative to develop the next generation of ultra-efficient lighting applications. Provides \$50 million annually from 2003 to 2011.</li> </ul>
<b>Tax incentives</b>	<p><b>Tax Credits</b></p> <ul style="list-style-type: none"> <li>-Tax credit of 15% up to \$2000 for residential solar electricity or water heating systems.</li> <li>-Tax credit for stationary fuel cells and vehicles powered by fuel cells.</li> <li>-Tax credit for purchase of hybrid automobiles, light trucks, and other vehicles.</li> <li>-Tax credit for purchase of energy efficient appliances.</li> <li>-Tax credit for energy efficiency improvements to existing homes.</li> <li>-Business tax credit for construction of an energy efficient home.</li> <li>-Business tax credit for clean coal technologies.</li> <li>-Faster depreciation for oil and gas pipelines and refineries</li> <li>-Expensing of equipment to comply with EPA sulfur regulations.</li> <li>-Marginal well oil and gas tax credit (\$3 per barrel and 50 cents per 1000 cu ft).</li> <li>-Suspension of limitation on oil depletion allowance.</li> </ul>	
<b>Other Measures</b>	<ul style="list-style-type: none"> <li>-Raises the incentive for geothermal energy production.</li> <li>-Phases out a 4.3 cents per gallon motor fuel tax on railroads and inland waterways.</li> </ul>	<ul style="list-style-type: none"> <li>-Prohibits sale of uranium fuel acquired by the US from Russia before 2009 with a limitation thereafter.</li> </ul>
<b>Strategic Pet Reserve</b>		<ul style="list-style-type: none"> <li>-Fill the Strategic Petroleum Reserve to full capacity as soon as possible.</li> </ul>
<b>Low income energy assistance</b>	<ul style="list-style-type: none"> <li>-Appropriates \$3.4 billion for low income energy assistance for the years 2001-2005.</li> </ul>	<ul style="list-style-type: none"> <li>-Raises low-income energy assistance to \$3.4 billion annually.</li> </ul>
<b>Expedited licensing and siting of energy facilities</b>	<ul style="list-style-type: none"> <li>-Study and elimination of unwarranted denials and stays of lease issuance and unwarranted restrictions on lease operations from the administration of</li> </ul>	<ul style="list-style-type: none"> <li>-More flexibility in hydro re-licensing to meet environmental standards.</li> <li>-FERC must justify annual licenses as opposed to standard licenses for hydro.</li> </ul>

	<p>oil and natural gas leasing on Federal lands.</p> <p>-Allow drilling in the Arctic National Wildlife Refuge consistent with strict environmental conditions.</p>	<p>-Requires study to determine where bottlenecks in the re-licensing process exist.</p> <p>-Establishes an expedited process for FERC to consider pipeline proposal to transport Alaska natural gas.</p> <p>-Expedites licensing of natural gas pipeline in Alaska to the Canadian border and provides for loan guarantees.</p>
<b>Price Anderson</b>		-Reauthorization of Price-Anderson
<b>Electricity</b>		<p><b>Electric power industry</b></p> <p>-Strengthens FERC jurisdiction over utility mergers and acquisitions.</p> <p>-FERC may set rates if it finds they are not just and reasonable market based rates..</p> <p>-Requires transmission companies to connect with power producers. FERC sets standards for interconnection and determines if connection is consistent with reliable power.</p> <p>-FERC may require open access</p> <p>-FERC may set and enforce reliability standards</p> <p>-Requires utilities to give access to “intermittent generators” (e.g. wind)</p> <p>-Utilities must make net metering available.</p>
<b>Climate change</b>		<p>-Establish a National Office of Climate Change Response under the President.</p> <p>-Establishes an Office of Climate change Technology in the DOE, with a \$4.75 billion research and development budget for 2002 to 2011.</p> <p>-Establishes an independent review board to monitor the development of national climate change response strategy.</p> <p>-Requires the Sec of Commerce to design a National Greenhouse Gas emissions Database.</p> <p>-Requires NIST to establish a program on standards and processes, hold a thematic competition, and to support implementation of “green” technologies through the MEP.</p>