

ANALYSIS OF THE
COMPREHENSIVE ENERGY BILL

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 28, 2003

Mr. UDALL of Colorado. Mr. Speaker, I would like to insert an article in the RECORD that takes a look at the latest shape of the comprehensive energy bill. The author of the article is Ken Bossong, coordinator of the Sustainable Energy Coalition, a coalition of 60 national and state environmental, business, consumer, and energy policy organizations founded in 1992 to promote increased use of renewable energy and energy efficient technologies. The Renewable Energy and Energy Efficiency Caucus—of which I and Representative ZACH WAMP are co-chairs—works closely with the Coalition to coordinate events and briefings and to otherwise spread the word in Congress and throughout the nation about the importance of clean energy.

We're told there will be a vote on the conference agreement very soon, but few Members—even fewer on our side of the aisle—know what is in the final report. But from what has been reported in the press, it seems likely that the bad in the bill outweighs the good. By not taking into consideration opposing views, the Republicans have crafted an unbalanced bill—one that ultimately doesn't address the energy needs of this country today or into the future.

[From SolarAccess.com News, Oct. 20, 2003]

A FALTERING ENERGY BILL

(By Ken Bossong)

Barring a major train wreck—which remains within the realm of possibility—congressional conferees may have a final energy bill ready for votes in the U.S. Senate and House of Representatives by the end of this month. The final product, representing more than three years' work, will undoubtedly be described by its authors as "comprehensive" and "balanced." In reality, it will be neither.

Among the pressing issues facing the United States today are those of growing oil and natural gas imports—particularly from politically unstable regions of the world, escalating environmental and economic damage from greenhouse gas emissions that contribute to global climate change, and an electrical generation and transmission system that is unreliable and—due to its reliance on large central station facilities—insecure. Yet the emerging energy bill will do little to address any of these issues; in fact, it may very well exacerbate all three.

Among the best strategies for addressing these energy problems are greatly expanded energy efficiency initiatives and investments in decentralized renewable energy technologies. Yet the energy bill will probably offer little more than crumbs for sustainable energy while continuing and expanding federal support for the mature, polluting fossil fuels and nuclear power industries.

It is supremely ironic that completion of work on the energy bill may correspond to the thirtieth anniversary of the OPEC oil embargo that began on October 17, 1973. Over the past three decades, total U.S. oil imports have nearly doubled with imports now accounting for more than half (54 percent) of the nation's oil consumption. Yet the energy bill largely fails to address oil consumption in the transportation sector—which now accounts for more than two-thirds of U.S. oil use—by not including provisions to substan-

tially raise automobile fuel economy standards. It even fails to include the Senate bill's directive (passed by more than 90 votes) that would set a goal of reducing oil consumption by one million barrels per day by 2013 (a modest 5 percent of current consumption). Instead it opts for a "drain America first" strategy that may include drilling the Arctic National Wildlife Refuge, opening the door to expanded oil exploration in moratorium areas, and facilitating expanded development in other ecologically sensitive areas as well as subsidies for an Alaskan natural gas pipeline.

It is true that the final legislation will likely incorporate a Renewable Fuels Standard that will mandate that 5 percent of liquid fuels be derived from renewable sources which could be a boon to the domestic ethanol and biofuels industries. Yet these fuels will be burned in increasingly inefficient cars and SUVs which means they will be wasted and ultimately not reduce the nation's dependency on petroleum imports.

Similarly, natural gas imports have been inching upwards and now exceed 15 percent of total U.S. consumption with future imports increasingly likely to come in the form of expensive LNG shipments from politically unstable sources such as Algeria, Nigeria, and Oman.

Presently, more than a quarter of the natural gas used is burned in inefficient and wasteful electricity generating stations. The most environmentally-sound approaches to curbing this waste, and hence imports, include improving the efficiency of (or reducing) electricity end-uses, expanding the use of combined power and heating systems for electrical generation, and displacing natural gas generating plants with renewable electric technologies. A recent study by the American Council for an Energy-Efficient Economy shows that even modest gains in energy efficiency and renewable energy production from these kinds of policies would help reduce gas prices substantially.

Yet the energy bill provides, at best, only limited support for any of these strategies. Its efficiency title is expected to include new standards to improve the efficiency of building transformers, torchiere lighting fixtures, exit signs, traffic lights, unit heaters, and compact fluorescent bulbs, as well as directives to the U.S. Department of Energy to set new efficiency standards on several other products. Small tax incentives for combined heat and power as well as efficient new homes, commercial buildings, refrigerators, clothes washers, and fuel cells are also probable.

While steps in the right direction, they fall far short of the aggressive efficiency standards, tax incentives, and public benefits fund to support efficiency programs needed to make a serious dent in electricity consumption. That is, the bill completely lacks aggressive measures needed to moderate electricity demand that would reduce the risk of future blackouts while cutting air pollution and greenhouse gas emissions. Moreover, the tax provisions are likely to eliminate incentives for hybrid vehicles, the nation's best chance to save oil in the next twenty years.

The most important provision to expand the use of renewable electricity production and displace natural gas, a Renewable Portfolio Standard (RPS), now appears certain to end up on the conferees' cutting room floor. Even if a token RPS somehow makes it into the final bill, it is apt to be a provision significantly weaker than those already enacted by many states and far below the projected technical and cost-effective potential for electricity generated from solar, wind, geothermal, biomass, and hydropower resources (i.e., 20 percent or more by 2020).

Failure to include a strong RPS coupled with weak or non-existent energy efficiency

standards also insures that the final energy bill will do very little to address the growing problem of climate change. Indeed, a climate change title does not even exist in the bill.

Proponents of the bill suggest that it includes provisions that will help reduce greenhouse gas emissions and point to increased renewable energy authorization levels such as the \$300 million over five years to establish a solar electric (photovoltaic) energy program for the procurement and installation of solar electric systems in new and existing public buildings. Left unsaid, though, is that an "authorization" is merely permission to spend a certain amount of money if the funds can be found; an "authorization" is not an "appropriation."

In reality, federal funding levels for renewable energy programs—i.e., the appropriations—have been cut during each of the last three budget cycles, notwithstanding authorization levels that would allow for significantly higher funding. Given the massive budget deficits now being forecast as a result of the White House's tax cuts and the war in Iraq, it is extremely dubious that the recent downward funding trend will be reversed; in fact, it is highly probable that renewable energy budgets will be slashed even further regardless of the authorization levels included in the energy bill.

Moreover, the levels of federal support given to renewables in the form of direct appropriations and tax incentives are likely to be swamped by those being proposed for the fossil fuels and nuclear industries which have been estimated to total \$18 billion. These include \$1.1 billion to build a new nuclear power plant, \$400 million in loans for oil and gas development loan, guarantees to build a new coal plant that may cost \$2-\$3 billion, and \$350 million for hydrogen production from polluting sources. Not included in this figure is the extension of the Price-Anderson Act which shields nuclear utilities from most liability in the event of a major accident; the precise dollar value of this is incalculable but conservatively worth tens of billions of dollars in saved insurance costs.

Consequently, the unbalanced financial incentives provided for in the energy bill for competing energy sources may actually worsen the competitive position of renewable energy technologies in the marketplace.

That would further compound the problems with the reliability of the nation's electrical grid as highlighted by the August blackout in the Northeast and the long power outages in the mid-Atlantic following Hurricane Isabel not to mention the national security risks posed by excessive reliance on highly-centralized and large-scale power generating facilities. Distributed renewable energy electric technologies are uniquely suited to lessening these problems. However, the energy bill fails to create the regulatory framework to tap this potential and, in fact, through provisions such as the proposed revocation of the Public Utilities Regulatory Policy Act (PURPA) as well as the Public Utility Holding Company Act (PUHCA), could make the situation worse.

At the least, the energy bill should include mandatory net metering and interconnection standards to enable renewable energy generators to tie into the grid rather than the essentially optional, advisory guidelines that it now includes.

It should also include a long-term renewable energy production tax credit (PTC), including a tradable credit for public power and rural cooperatives, that benefits the cross-section of renewable energy technologies. To provide some stability and predictability in the marketplace, any such tax incentive should be enacted for at least five to ten years. By comparison, the proposed renewal of the Price-Anderson Act is 20

years. However, the energy bill now provides for only a three-year PTC extension. Such a short-term PTC threatens to continue the start-and-stop cycle that has plagued the renewable energy industry, particularly wind energy developers, for more than a decade as investments dry up when the existing PTC is set to expire and its supporters scurry around madly trying to get another extension.

Wind energy advocates may be tempted to support the pending energy bill arguing that a three-year PTC is far better than no PTC just as the solar investment tax incentives, geothermal reforms, Renewable Fuels Standard, and hydropower relicensing components are important and generally positive provisions that will benefit their respective industries. Similarly, advocates of energy efficiency can point to some gains that may come from the bill if enacted as now written. However, when weighed against the lopsided provisions to advance fossil fuels and nuclear power, it is questionable whether the end result will actually move this country closer to a sustainable energy future.

Moreover, the recent series of closed-door, Republican-dominated, conference meetings in which the House-Senate energy bill is being finalized, and which have largely excluded those Democrats who have championed the bill's efficiency and renewable energy provisions, have provided nuclear and fossil fuel lobbyists an opportunity to further skew the bill the wrong way.

Consequently, even if the Congress approves and the President ultimately signs an energy bill this year, the nation's energy policy work won't be done. The bill that is likely to emerge is one that will evade the problems of energy imports, global warming, and electric grid stability. It is also one that will fail to incorporate an adequate Renewable Portfolio Standard, auto fuel efficiency standards, aggressive appliance and industrial efficiency standards, mandatory net metering and transmission standards, and a sufficient mix of tax incentives and federally-funded R&D programs to move the nation away from its reliance on fossil fuels and nuclear power.

Under the circumstances, while many weary renewable energy and energy efficiency advocates may wince at the prospect, it would likely be far better to have no energy bill than the one that seems to be nearing completion.

A TRIBUTE TO JOANNE KONKLE
ON HER RETIREMENT AS ADMINISTRATOR
OF THE CALHOUN COUNTY MEDICAL CARE FACILITY

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 28, 2003

Mr. SMITH of Michigan. Mr. Speaker, I rise today to honor Joanne Konkle on her well-deserved retirement following more than 30 years of dedicated service to the health and well-being of the citizens of Calhoun County, Michigan.

For the past 19 years, Joanne has served as the Administrator of the Calhoun County Medical Care Facility. In this capacity, Joanne has been responsible for the management and operation of the facility, which serves the needs of some of the county's most vulnerable senior citizens. Her leadership and sound fiscal stewardship has earned the center numer-

ous quality awards and a reputation of being one of the most outstanding medical care facilities in the State of Michigan.

Joanne's career accomplishments are notable not only because they are numerous, but also because they represent a dedicated focus on service to others. In addition to her work as a Clinical Social Worker at the V.A. Medical Center, Joanne is a member and past president of the Michigan County Medical Care Facilities Council, served three-terms as a Calhoun County commissioner, 24 years as a member of the Community Mental Health Board and, for the past 45 years, has served as a board member of the Calhoun County Association for Retarded Citizens.

She has been a staunch supporter and volunteer for organizations such as the Substance Abuse Council, Special Olympics and the Alzheimer's Association, as well as a passionate advocate on issues and legislation affecting the elderly and mentally handicapped.

While so much of her life has been dedicated to others, Joanne has never lost sight of the importance of family. She and her husband Ted have been married for 51 years, and have raised four wonderful children. In addition, seven grandchildren and five great grandchildren will undoubtedly play a major role in the Konkle's retirement plan.

I am honored to recognize Joanne Konkle for her commitment to community and her tireless and selfless service to others. I wish her and her family all the best as she embarks on a well-deserved retirement.

FIRST LIEUTENANT VICTOR A.
MARTIN

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 28, 2003

Mr. KILDEE. Mr. Speaker, I rise before you today on behalf of the courageous men and women of the Michigan State Police. Day after day, these brave individuals work together to ensure safe streets for the citizens of Michigan. On November 9, 2003, the Michigan State Police will gather to celebrate the retirement of F/Lt Victor A. Martin for 26 years of dedicated service to the force.

Victor Martin was born September 9, 1954 in Alma, Michigan. He graduated from St. Louis High School in 1972. He obtained his Law Enforcement and Police Administration degree from Ferris State University in 1976. Upon completion of college, Victor was accepted into the Michigan State Police Training Academy. In 1977 he was assigned out of the 91st recruit school to Niles Post as a Trooper. For 11½ years Victor was attached to the MSP K-9 unit as a First Dog Handler. He was charged with the duty of handling coverage for Governor conferences, Presidential and dignitary visits. In 1990 he was promoted to Sergeant at the Sandusky Post where he remained until 1993 when he was promoted to Lieutenant and assigned to the Flint Post as Assistant Post Commander. In 1998 he became the Lapeer Post F/Lt 15 (Post Commander) and then in 2001 was assigned to the Bay City and East Tawas Post where he is currently serving as F/Lt 1511 (Post Commander).

During his career, F/Lt Martin received numerous accolades for his heroism. In 1979 he

received the Lifesaving award. He maintained the status of "Trooper of the Year" Manistee Post from 1984-1986 and again for the Lansing Post from 1988-1989. He received the 1994 Professional Excellence award for coordinating a multi-agency response to an incident involving the U.S. Presidential Motorcade.

F/Lt Martin is also a faithful family man. His wife of 26 years is Christy. They have two wonderful sons, Chad and Kyle.

Mr. Speaker, as a Member of Congress, I ask my colleagues in the 108th Congress to please join me in honoring First Lieutenant Victor A. Martin and wishing him the very best in his retirement.

AND NOW, THE REST OF THE
STORY

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 28, 2003

Mr. BEREUTER. Mr. Speaker, the editorial entitled "Support for America's Iraq effort is evident" from the October 10, 2003, Norfolk Daily News highlights a recent Gallup Poll in which nearly two-thirds of Baghdad residents who were polled still support the removal of Saddam Hussein despite the personal hardships the war has created for them.

Furthermore, the editorial notes that the United States and Great Britain are by no means alone in implementing peacekeeping missions in Iraq and then correctly commends the efforts of the Czech Republic, Hungary, and Kazakhstan—countries which, like Iraq, were only fairly recently released from the bonds of tyranny.

Mr. Speaker, this Member encourages his colleagues to read this editorial for these stories are receiving far too little attention elsewhere in the American, and indeed, the world media.

[From the Norfolk Daily News, Oct. 10, 2003]

OUR VIEW

Contrary to indications left by brief news reports, the effort to bring order and self-determination to Iraq has been joined by a variety of nations. They have committed forces, and are united in the fight against tyranny. And a majority of Baghdad's residents regard Saddam's removal as worth their hardships.

SUPPORT FOR AMERICA'S IRAQI EFFORT IS
EVIDENT

Two false impressions left by daily reports from Iraq are that the effort to depose Saddam Hussein had little support from the people of that nation and that America is going it alone, though with some help from its major ally, Great Britain.

Contrary information gets too little attention, for random acts of violence and controversy about the United Nations role—or lack of it—grab the headlines.

America's openness to political debate and its free press help to feed such impressions. Reading more than the headlines or listening to more than sound bites provides a more balanced view.

Of special importance was the recent Gallup Poll taken five months after occupation of Baghdad: Two-thirds of the residents of that city, home of many Saddam loyalists and hard hit despite unusually precise military targeting, indicated to the pollsters that the dictator's removal was worth the hardships forced on them.