

MEMORANDUM

To: HEPF Forum Members
From: Josh Wisch, District Director – Field Services, Office of Congresswoman Hirono
Date: January 22, 2009
Re: Status of Energy Legislation in Congress

Energy Provisions in the American Recovery and Reinvestment Act of 2009

The House of Representatives has not yet released an energy package. The House has, however, released its economic recovery package, as of January 15 (last Thursday). There is no bill number assigned yet, but it is called the *American Recovery and Reinvestment Act* of 2009. The package includes \$550 billion in spending proposals and \$275 billion in tax cuts, and the hope is to send it to President Obama before the Presidents' Day break in mid-February.

Three Committees are currently marking up the bill: the Appropriations Committee (David Obey, Chair), the Ways and Means Committee (Charles Rangel, Chair), and the Energy and Commerce Committee (Henry Waxman, Chair). E&C was formerly chaired by John Dingell, of Michigan. Chair Waxman is generally considered to be a progressive voice on energy related issues.

The Appropriations Committee worked on their part of the bill yesterday, as did Ways and Means.

The Energy and Commerce Committee will mark up about \$54 billion in proposed stimulus spending on energy projects Thursday, including modernization of the nation's electric grid and development of renewable energy sources. The energy proposals before the Energy and Commerce Committee are part of the House's \$850 billion plan to jump-start the stalled economy.

In its current draft form, the House stimulus bill would direct \$16 billion to perform energy-efficient retrofitting on public housing and \$6 billion to weatherize low-income homes.

The bulk of expenditures — \$32 billion — would go toward modernizing electricity transmission and promoting alternative energy. This includes \$4.5 billion for smart grid pilot programs designed to demonstrate technology that President Obama and many in Congress view as the key to reducing energy consumption, carbon emissions and strains on the overloaded grid.

In addition, \$8.4 billion would be spent on grants and loans for projects intended to boost energy efficiency and renewable energy production, and \$2.4 billion would be spent on pilot projects to demonstrate technology to capture the carbon emitted by coal-fired utility plants and store it underground, i.e., carbon-sequestration technology.

Other examples of energy projects being considered in the bill include:

- \$16 Billion to repair public housing and make key energy retrofits
- \$2 billion for energy efficiency and renewable energy research, development, demonstration, and deployment activities – including advanced batteries; of this amount at least \$800 million is dedicated for biomass and \$400 million for geothermal
- \$1 billion for grants to institutions for energy sustainability and efficiency
- \$3.5 billion for Energy Efficiency and Conservation Block Grants implementation
- \$8 billion, for a new, temporary Innovative Technology Loan Guarantee Program to support rapid deployment of proven renewable energy and transmission technologies
- \$750 million for a new competitive grant program for worker training and placement in high growth and emerging industry sectors. \$500 million designated for Green Jobs (projects that prepare workers for careers in the energy efficiency and renewable energy industries). Priority for remaining \$250 million to projects that prepare workers for careers in the health care sector.

Regarding the total amount of money in the bill, at this point it is unclear: (1) how the money will be distributed; and (2) how much money Hawaii will get.

On behalf of the Congresswoman, she will be working hard to ensure that the State and the National decrease their dependence on fossil fuels. During her first term, the Congresswoman has been a strong supporter of renewable and alternative energies, meeting with companies and experts throughout Hawaii. The Congresswoman has also supported and co-sponsored numerous pieces of renewable energy legislation, including legislation addressing:

- Extension of renewable energy tax credits
- Renewable portfolio standards
- Increased fuel economy
- Plug in hybrid vehicles
- Ocean Thermal Energy
- Energy conservation and efficiency

Possibilities for Future Energy Bill

Democrats in Congress expect to introduce an energy package in the coming weeks that would require that 15 percent to 25 percent of the nation's electricity come from renewable sources.

It is worth noting that the idea of a renewable portfolio standard (RPS) is not new in Congress: Similar measures have passed the Senate three times in recent years and passed the House in 2007.

One possible compromise may include allowing fossil-fuel-powered electric utilities to count increased energy efficiency and conservation toward meeting the renewable-energy standard, since the chief aim of the standard is to reduce fossil-fuel consumption and carbon emissions.