

Federal Climate and Energy Activities Weekly Roundup
April 27—May 1

Hearings and Markups

On April 30, Senate Energy and Natural Resources Chairman Jeff Bingaman (D-NM) held a hearing to “walk through” his draft bill expanding electricity transmission network. The bill would provide the federal government—specifically the Federal Energy Regulatory Commission (FERC)—the power to supersede state and local authorities in siting transmission lines. Previous versions of the draft bill would have given FERC broad powers to overrule decisions by state and local authorities. The most recent draft gives states one year to site the lines before FERC would be able to step in. However, if a state rejects a transmission project, does not consider it within one year or places “unreasonable” conditions on the project that create insurmountable barriers to its completion, FERC would have the authority to consider and site the project if it is deemed a “high priority” transmission project. One issue that has caused controversy within the Committee is the bill’s lack of specifics regarding cost allocation to finance the construction of transmission lines. A markup of the bill is expected Wednesday, May 6.

On April 28, the Senate Energy and Natural Resources Committee held a hearing on the joint discussion draft of the 21st Century Energy Technology Deployment Act, legislation intended to improve access to financing for the deployment of innovative clean energy and energy efficiency technologies. The bill would establish a Clean Energy Deployment Administration (CEDA) within the Department of Energy whose mission would be to encourage the deployment of technologies perceived by commercial institutions as too risky to invest in. CEDA would support the commercial-scale deployment of clean energy technologies with loans, loan guarantees, and other credit enhancements.

On April 29, the House Committee on Small Business held a hearing on “Climate Change Solutions for Small Businesses and Family Farmers.” Witnesses included representatives of agricultural associations and the small business community. Chief concerns from the agricultural community concerning the Waxman-Markey Draft were competitiveness, offsets, and provisions for early actors. Witnesses testified that agriculture has a large potential to help sequester carbon and that it is already doing so through no till and other practices. Small business representatives had similar concerns and stressed that any legislation must protect the small business community’s opportunity to compete in a global marketplace. Lawrence Kavanagh, representing the American Iron and Steel Institute argued that since the “domestic steel industry is the lowest carbon dioxide emitter among world steelmaking nations,” it makes environmental as well as economic sense to protect heavy industries like steel.

Future Hearings and Markups

House Energy and Environment Subcommittee Chairman Ed Markey (D-MA) has postponed a markup of the American Clean Energy and Security Act of 2009, originally planned

for sometime this week in order to continue negotiations with moderate Democrats on the Committee. At this point, it appears that consensus between Committee Democrats is still elusive. Some of the issues on which there is disagreement are: whether to provide free credits to electric utilities and petroleum refiners; how many free credits to provide to energy-intensive, trade-vulnerable industries such as steel and cement; whether to pare back the bill's renewable electricity standard (RES) mandate; whether to allow nuclear power to count towards the RES requirements; and whether to provide more flexibility regarding the cap on carbon in the early years of the cap and trade program to allow more time for new technologies to develop. The Subcommittee maintains it will still mark up the bill sometime next week, but according to press reports, the markup may be pushed further into the future.

The Senate Energy and Natural Resources Committee will mark up Committee Chairman Bingaman's draft bills on transmission siting and the creation of an independent clean energy deployment administration within the Department of Energy the week of May 4. Also, Chairman Bingaman plans to hold a hearing to walk through his proposal on a national renewable electricity standard (RES) that week. During the week of May 11, the Committee is expected to mark up the RES bill. Following that, during the week of May 18, the Committee is expected to mark up legislation relating to oil and gas development on public lands; carbon capture, transport and storage; and any other outstanding measures. At this point, all of these bills are either in draft form or have not been released to the public. Senator Bingaman's intention is to compile them all into a final energy bill that the Committee will finalize and mark up by the end of May.

The House Science and Technology Committee is expected to hold a hearing next week on the creation of a National Climate Service within the National Oceanic and Atmospheric Association that would provide state and local governments with information about climate change. Language establishing the service is included in the Waxman-Markey legislation.

New Legislation

- (S.923) introduced April 29 by Senator Lisa Murkowski (R-AK). The bill would promote the development and use of marine renewable energy technologies.

Status: Referred to the Committee on Energy and Natural Resources.

- The Marine Renewable Energy Promotion Act (H.R.2148) introduced April 28 by Rep. Jay Inslee (D-WA). The bill would promote the development and use of marine renewable energy technologies.

Status: Referred to the Committee on Science and Technology, and in addition to the Committees on Energy and Commerce, and Ways and Means, for a period to be subsequently determined by the Speaker.

- The Global Warming Economic Oversight Act (H.R.2147) introduced April 28 by Rep. Paul Hodes (D-NH). The bill would establish the Global Warming Economic Oversight Commission to study and report on the use by the Federal Government of funds from any auction or sale of greenhouse gas emissions allowances.

Status: Referred to the House Committee on Energy and Commerce.

- The National Clean Energy Superhighways Act (H.R.2211) introduced April 30 by Rep. Jay Inslee (D-WA). The bill would facilitate planning, construction, and operation of a secure national clean energy grid. This bill is intended as companion legislation to the Bingaman transmission siting provisions. However, unlike the Bingaman draft, the Inslee bill prohibits generation that has emissions greater than a single-cycle natural gas –fired combustion turbine from directly connecting to the new lines and would allow sponsors of transmission projects to apply directly to FERC, rather than to state entities.

Status: Referred to the House Committee on Energy and Commerce.

- (H.R.2212) introduced April 30 by Rep. Jay Inslee (D-WA). The bill would improve the loan guarantee program of the Department of Energy under title XVII of the Energy Policy Act of 2005, to provide additional options for deploying energy technologies

Status: Referred to the Committee on Energy and Commerce, and in addition to the Committee on Science and Technology.

- (S.943) introduced April 30 by Senator John Thune (R-SD). The bill would amend the Clean Air Act to permit the Administrator of the Environmental Protection Agency to waive the lifecycle greenhouse gas emission reduction requirements for renewable fuel production.

Status: Read twice and referred to the Committee on Environment and Public Works.