

Federal Climate and Energy Activities Weekly Roundup
March 30—April 3

Legislation: Introductions and Status Updates

- The American Clean Energy and Security Act of 2009—Discussion draft released March 31 by House Energy and Commerce Committee Chairman Henry Waxman (D-CA) and Energy and Environment Subcommittee Chairman Edward Markey (D-MA). The draft bill, which includes a cap and trade program, will be the primary climate and energy bill moving in the House this year. The bill would focus on four primary areas:
 - Clean Energy: intended to promote renewable energy, including a renewable portfolio standard; carbon capture and sequestration; a new low-carbon transportation fuel standard; and facilitation of smart grid technology.
 - Energy Efficiency: focusing on incentives for advanced building efficiency codes, retrofitting of existing commercial and residential buildings; appliance energy efficiency; and a directive for the Administration to work with California on vehicle efficiency standards.
 - Reducing Global Warming Pollution: establishment of a national cap and trade program, intended to reduce emissions by 83% below 2005 levels by 2050. At this time, the draft bill does not address how emissions allowances would be allocated.
 - Transitioning to a Clean Energy Economy: intended to ease the transition to a cap and trade system for consumers and industry; promoting “green” jobs; and adaptation to global warming.

Expected Timeline: hearings on the bill the week of April 20th, with a Subcommittee mark-up the week of April 27, followed by full committee mark-up on May 11. Waxman intends to have the bill on the floor of the House by Memorial Day.

- The Cap and Dividend Act of 2009 (H.R. 1862) introduced April 1 by Representative Chris Van Hollen (D-MD). The bill is intended to cap the emissions of greenhouse gases through a requirement to purchase carbon permits, to distribute the proceeds of such purchases to eligible individuals.

Status: Referred to the Committee on Ways and Means, and the Committee on Energy and Commerce.

- The Forest Carbon Emission Reduction Act (H.R. 1790) introduced March 30 by Representative Elliot Engel (D-NY). The bill is intended to reduce global greenhouse gas emissions resulting from land conversion and deforestation in developing countries and provide incentives for developing countries to increase forest carbon stocks.

Status: Referred to the Committee on Foreign Affairs and the Committee on Energy and Commerce.

- The National Energy Security Act of 2009 (S. 774) introduced April 1 by Senator Byron Dorgan (D-ND) and Senator George Voinovich (R-OH). The bill is intended to enhance the energy security of the United States by diversifying energy sources for on-road transport, increasing the supply of energy resources, and strengthening energy infrastructure.

Status: Referred to the Committee on Finance.

- S.826, a bill to promote renewable energy, introduced April 2 by Senator Amy Klobuchar (D-MN). Bill text is unavailable at this time.

Status: Referred to the Committee on Finance.

- S.828, A bill to amend the Energy Policy Act of 2005 to provide loan guarantees for projects to construct renewable fuel pipelines, introduced April 2 by Senator Tom Harkin (D-IA). Bill text is unavailable at this time

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

Budget Resolution Debate

Both the House and Senate approved their respective chamber's version of the Congressional Budget Resolution on Thursday, April 2. Both chambers include in their resolutions a placeholder for climate change and energy legislation, so long as it is deficit neutral. The Senate Budget Resolution but does not use reconciliation language to expedite the consideration of any legislation, including climate and/or energy legislation. The House Budget Resolution includes reconciliation protection for other legislative issues, but not specifically for climate or energy legislation.

A number of climate or energy-related amendments to the Senate Budget Resolution were adopted. However, these amendments could be dropped from the final version of the budget as it comes out of conference.

- Side-by-side amendments by Senator John Thune (R-SD) and Senator Barbara Boxer (D-CA). The Thune amendment would have added language instructing the committee producing climate change legislation this year to make sure it does not increase consumers' energy bills. Boxer's competing amendment incorporated Thune's language, but added a clause that essentially allowed for a variety of ways to offset price increases that might occur from a cap and trade program. The Boxer amendment was adopted, 54-43 and, with the Boxer modifications, the Thune amendment was adopted, 89-8.
- An amendment by Senator Mike Johanns (R-NE) prohibiting the use of reconciliation in the Senate cap and trade legislation was adopted, 67-31.
- An amendment by Senator Lindsey Graham (R-SC) that would allow a 60-vote point of order against any legislation that includes any energy tax increases that would affect

individuals with annual incomes of \$200,000 or less, or married couples with incomes of \$250,000 or less. The amendment was adopted, 65-33.

- An amendment by Senator Kit Bond (R-MO) creating a requirement of a 60 -vote point of order against energy legislation that could “cause significant job loss in manufacturing or coal-dependent regions of the United States...” The amendment was adopted, 54-44.
- An amendment by Senator Debbie Stabenow (D-MI) calling for the language in any future climate change legislation to include policies that “strengthen the manufacturing competitiveness of the United States, diversify the domestic clean energy supply to increase the energy security of the United States, protect consumers” among other things. The amendment passed, 73-25.
- An amendment by Senator Kay Bailey Hutchinson (R-TX) adding language to the budget’s deficit neutral reserve to include OCS production of oil and gas in the nation’s energy portfolio. The amendment was adopted by a voice vote.

Hearings and Mark-Ups

The Senate Energy and Natural Resources Committee this week held the first in what will be a series of mark-ups on energy legislation. At this week’s mark-up the Committee considered several minor energy bills intended to boost energy efficiency in appliances and the manufacturing industry, and conserve water in energy production—S. 661, S. 598, and S. 531, all introduced by Committee Chairman Jeff Bingaman (D-NM). There was general agreement on these three bills. The Committee intends to consider legislation that will focus on modernizing the power grid and renewable energy at future mark-ups later in April. These bills, which are likely to be more contentious than the bills marked up this week, are yet to be introduced.