

Federal Climate and Energy Activities Weekly Roundup
August 3 – August 7

Update on Senate Climate Legislation:

It appears that there may be a jurisdictional dispute over which Senate committee has authority over distribution of emissions allowances in a cap-and-trade bill. Both Finance Committee Chairman Max Baucus (D-MT) and Ranking Member Charles Grassley (R-IA) have said that the Finance Committee is the committee of jurisdiction over how emissions are allocated, while Environment and Public Works Committee Chairman Barbara Boxer (D-CA) maintains that it is her committee that has jurisdiction over emissions allocations.

Both the Finance Committee and the Environment and Public Works Committee held cap-and-trade related hearings this week. On August 4, the Senate Finance Committee held a hearing on allowance and revenue distribution under a cap and trade. Committee Chairman Max Baucus (D-MT) was expressed that it would be critical for the Senate to include provisions included in the House legislation that help low-income households handle higher energy costs that could be associated with climate legislation. Furthermore, he suggested the Senate might need to provide additional protections for those households above and beyond the protections included in the House bill. John Stephenson, director of natural resources and environment for the Government Accountability Office, suggested that the Senate reduce marginal tax rate and increase tax credits in the bill to help families cope with higher energy prices.

The Environment and Public Works Committee hearing, held August 6, focused on ensuring that the United States leads the world in “clean energy transformation.” After the hearing, Boxer told reporters that she is considering a number of cost controls to include in cap-and-trade legislation, including a price ceiling on the cost of emissions. Such a price ceiling is not included in the House bill. Boxer intends to introduce the legislation the week of September 7.

EIA Report Forecasts Energy Prices Under House Climate Legislation

On August 4, the Energy Information Administration (EIA) released a report providing cost estimates for consumers if Congress were to pass the House climate legislation, which passed the House in June. According to the EIA analysis, the average annual energy cost increase for households would be \$114 more than business as usual in 2020, and \$288 more than business as usual by 2030. The EIA projections are consistent with reports released in recent months by both the Environmental Protection Agency and the Congressional Budget Office. The reason for the increase between 2020 and 2030 is that allowances that are allocated without cost to utilities in 2020 would be auctioned by 2030.

New Legislation

- (S. 1590) introduced on August 6 by Sen. Kirsten Gillibrand (D-NY). The bill would establish a clean energy technology business competition grant program.

Status: Referred to Committee on Energy and Natural Resources.

- (S. 1617) introduced August 6 by Sen. Sherrod Brown (D-OH). The bill would require the Secretary of Commerce to establish a program for the award of grants to States to establish revolving loan funds for small and medium-sized manufacturers to improve energy efficiency, and produce clean energy technology.

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

- (S.1621) introduced August 6 by Sen. Bernard Sanders (I-VT). The bill would improve thermal efficiency energy use.

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

- (S. 1623) introduced August 6 by Sen. Russell Feingold (D-WI). The bill would prohibit the issuing of new Federal oil and gas leases to holder of existing leases who do not diligently develop the land or relinquish the existing leases.

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

- (S. 1637) introduced August 6 by Sen. Olympia Snowe (R-ME). The bill would amend the Internal Revenue Code of 1986 to improve and extend certain energy-tax related provisions.

Status: Referred to the Committee on Finance.

- (S.1639) introduced August 6 by Sen. Jeff Bingaman (D-NM). The bill would amend the Internal Revenue Code of 1986 to improve and extend certain energy-tax related provisions.

Status: Referred to the Committee on Finance.

- (H.R. 2938) introduced June 18 by Rep. Jerry Costello (D-IL). The bill would extend the deadline for commencement of construction of a hydroelectric project.

Status: Cleared for White House August 5.