

**Federal Climate and Energy Activities Weekly Roundup**  
**June 22 – June 26**

Update on House Energy and Climate Legislation: As of this writing, House leadership is poised to bring the American Clean Energy and Security Act (Waxman-Markey) to the floor today (June 26), with the expectation that they will be able to pass the bill. Speaker Nancy Pelosi (D-CA) and her leadership team have been meeting with undecided Democrats and a handful of Republicans all week to urge their support for the bill. The White House stepped up its efforts to encourage Democrats to support the bill, with President Obama making personal calls to key members. Regardless, the vote is likely to be very close and there are a number of members still on the fence. Republican leaders in press reports have said they remain skeptical of the bill's chances.

House leaders and Energy and Commerce Committee Chairman Henry Waxman (D-CA) spent much of this week negotiating with key House constituencies that have raised concerns about aspects of the bill. Waxman made several significant concessions to Agriculture Committee Chairman Collin Peterson (D-MN), including broadening the definition of biomass to include more wood on Federal lands, barring the EPA from considering "indirect" emissions in its emissions calculations for the already enacted Renewable Fuel Standard, allowing the Department of Agriculture to have oversight jurisdiction over the offset program, and providing additional free emissions credits to rural electric cooperatives. Peterson brings with him some, but not all, of the Agriculture Committee Democrats.

Another significant change agreed to this week would allow U.S. tariffs on imports from countries that do not impose comparable emissions curbs intended to help trade vulnerable industries and prevent "leakage" of American jobs to other countries. Several iterations of this provision were floated throughout the week, but the final agreement would provide that beginning in 2020, if U.S. industries face cost disadvantages due to differences in emissions policies, tariffs would be imposed. The President would have the authority to waive the tariff, but Congress must approve the waiver. Some business groups supporting free trade have expressed concern about the tariffs, and many have questioned how the World Trade Organization would view the tariffs.

Update on Senate Climate Legislation: Senate Majority Leader Harry Reid (D-NV) this week told press that relevant committee chairmen have agreed to a timeline for their work on a Senate cap and trade bill. He did not specify details of that time line, other than to say that the Senate would vote on the bill sometime in the Fall. According to press reports, sources have leaked that the deadline for committee chairmen is September 18 and that floor debate is likely to begin in October. On previous occasions, Reid has said he will be combining cap and trade legislation with the comprehensive energy bill reported by the Energy and Natural Resources Committee last week.

CBO and EPA Release Estimates of How House Climate Legislation Would Impact Families'

Bottom Line: Several reports have been released in recent weeks estimating the costs of the American Clean Energy and Security Act on the economy. Chief among these reports are an EPA analysis released June 23rd, and the CBO analysis released four days earlier. The CBO report estimates that the average cost per family of the bill to be \$175 per household in 2020. Costs would range from an average net benefit of \$40 in 2020 for households in the lowest quintile to an average cost of \$340 annually for households in the fourth quintile. The EPA analysis estimates an even lower average cost per household—somewhere between \$80 and \$111 annually. EPA estimated a lower cost per ton of carbon dioxide and included modeling based on cost-savings measures it expects would arise from implementation. Also, the EPA calculated its figures in 2005 dollars, while 2010 dollars were used in the CBO report. Both reports estimate costs at far lower levels than other analyses, including one by CRA International, which estimates average annual costs ranging from \$600 to \$1,600 per household in 2020. The CRA model makes several assumptions that differ from the CBO and EPA report including, assuming that international emissions offset projects will not be available for numerous reasons and that lower carbon emissions will require massive development of carbon capture and sequestration. An American Petroleum Institute study estimates even higher costs—approximately \$3,300 per household annually.

Senate Republicans Release Alternative to Energy Bill: On June 24, Senate Republicans released their own comprehensive energy package a week after the Senate Energy and Natural Resources Committee gave final approval to Chairman Jeff Bingaman's (D-NM) energy bill. The Republican alternative – the Clean, Affordable, Reliable Energy Act (CARE) reiterates a number of policies supported by Republicans and adopts an “all-of-the-above” strategy. It would eliminate barriers to nuclear energy production, open the outer continental shelf and the Arctic National Wildlife Refuge for reserve oil drilling, and remove limitations on developing oil shale and other domestic energy sources. The bill would direct revenues from fossil fuel exploration into a trust fund that would be used to promote renewable and alternative energy sources, energy education, and workforce development. The bill also seeks to provide tax incentives for vehicles powered by alternative fuels and electricity, invest in the nation's energy infrastructure, and provide incentives to make homes and businesses more energy efficient.

New Legislation

- The Water System Adaptation Partnership Act (H.R.2969) introduced June 19 by Rep. Lois Capps (D-CA). The bill would authorize the Administrator of the Environmental Protection Agency to establish water system adaptation partnerships.

Status: Referred to the Committee on Transportation and Infrastructure.

- The American Clean Energy and Security Act (H.R.2998) introduced June 23 by Rep. Henry Waxman (D-CA). The bill would create clean energy jobs, achieve energy independence, reduce global warming pollution and transition to a clean energy economy.

Status: Referred to the Committee on Energy and Commerce, and in addition to the Committees on Foreign Affairs, Ways and Means, Financial Services, Education and

Labor, Science and Technology, Transportation and Infrastructure, Natural Resources, Agriculture, Oversight and Government Reform, and the Judiciary.

- The Streamlining America's Various Energy Needs Act (H.R.3005) introduced June 23 by Rep. Sam Graves (R-MO). The bill would expedite the increased supply and availability of energy to the nation.

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

- The National Gasoline Reserve for Purposes of National Security Act (H.R.3008) introduced June 23 by Rep. Larry Kissell (D-NC). The bill would establish a National Strategic Gasoline Reserve, and for other purposes.

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

- The American-Made Energy Act (H.R.3009) introduced by Rep. Mike Ross (D-AR). The bill would promote alternative and renewable fuels and domestic energy production, and for other purposes.

Status: Referred to the Committee on Natural Resources, and in addition to the Committee on Energy and Commerce.

- (H.R.3029) introduced by Rep. Paul Tonko (D-NY). The bill would establish a research, development, and technology demonstration program to improve the efficiency of gas turbines used in combined cycle power generation systems.

Status: Referred to the House Committee on Science and Technology.

- (H.R.3032) introduced by Rep. Peter Welch (D-VT). The bill would amend the Small Business Act to establish the Office of Environment, Energy, and Climate Change and to establish the Climate Change Center and Clearinghouse to provide support and information on climate change to small business concerns.

Status: Referred to the House Committee on Small Business.

- The Carbon Neutral Government Act (H.R.3033) introduced by Rep. Peter Welch (D-VT). The would authorize Federal agencies and legislative branch offices to purchase greenhouse gas offsets and renewable energy credits, and for other purposes.

Status: Referred to the Committee on Oversight and Government Reform, and in addition to the Committees on House Administration, and Energy and Commerce.

- The Investment in American Steel Act (H.R.3034) introduced by Rep. Charles Wilson (D-OH). The bill would amend the Internal Revenue Code of 1986 to adjust the credit percentage for qualifying advanced energy wind projects based on domestic steel content.

Status: Referred to the House Committee on Ways and Means.

- (S.1333) introduced by Senator John Barrasso (R-WY). The bill would provide clean, affordable, and reliable energy, and for other purposes.

Status: Referred to the Committee on Finance.

- (H.R.3029) introduced by Rep. Paul Tonko (D-NY). The bill would establish a research, development, and technology demonstration program to improve the efficiency of gas turbines used in combined cycle power generation systems.

Status: Referred to the Subcommittee on Energy and Environment.

- (S.1350) introduced by Senator Mark Pryor (D-AR) on June 25. The bill would encourage increased production of natural gas and liquified petroleum gas vehicles and to provide tax incentives for natural gas and liquefied petroleum gas vehicle infrastructure, and for other purposes.

Status: Referred to the Committee on Finance.

- (S.1379) introduced June 25 by Senator Sheldon Whitehouse (D-RI). The bill would encourage energy efficiency and conservation and development of renewable energy sources for housing, commercial structures, and other buildings, and to create sustainable communities.

Status: Introduced in Senate