



06-04-09

## Senate Energy Committee debates & divides on energy bill

By Jon H. Harsch

© Copyright Agri-Pulse Communications, Inc.

The gloves came off Thursday as the Senate Energy Committee considered a score of contentious energy bill amendments that split both Democratic and Republican ranks. Instead of dividing along strict party lines, members voted according to the proportion of energy in their home states that comes from fossil fuels and nuclear or that might come from new sources such as wind, solar or biomass.

Senate Energy & Natural Resources Committee Chair Jeff Bingaman (D-NM) made it clear he was voting against his own personal wishes in some cases in order to reach the compromises needed to move the bill forward. His original bill called for a 20 percent Renewable Electricity Standard (RES) mandating that electric utilities produce 20 percent of their power from renewable sources by 2020. The current draft legislation has reduced that mandate to 11 percent from renewables and 4 percent from energy efficiency, for a total of 15 percent by 2021.

Commenting on watering down renewables to just 11%, Sen. Robert Menendez (D-NJ) who supports a 25% mandate said "It seems to me we've gone a long way since November, in the wrong direction." He and Sen. Mark Udall (D-CO) said the 25% would benefit the environment while creating thousands of new jobs and saving consumers \$64 billion. But they concluded that since the Energy Committee's makeup favors reducing rather than increasing the mandate, they will wait until the bill reaches the House floor to offer an amendment to raise the RES mandate to 25%. Bingaman said he too supports a 25% mandate but that "this is not necessarily the best venue to press the issue."

Sen. Sam Brownback (R-KS) predicted that the RES level "is going to be a big issue on the floor." He said both Kansas and Colorado will benefit from a higher RES standard to create markets for their wind and solar resources. But he called on fellow senators to be "sensitive" to the concerns of senators like Evan Bayh (D-IN) and Blanche Lincoln (D-AR) who insist that the RES will force electricity rates in their states to soar. Sen. Mary Landrieu (D-LA) showed how sensitive the RES issue is. She warned that the point of the bill should be kept focused on clean air – not on "trying to jumpstart" the renewables industry at great cost to states like Louisiana. She said she would be prepared to accept a 15% or higher RES "if we do it right" – which in her case means getting some or even all of the 15% savings from energy efficiency and from nuclear power if these remain cheaper than using renewables like wind and solar. Bayh charged that unless it is

changed, the RES mandate will force states like his to import renewables-sourced electricity “even if it is more expensive.”

Bingaman said he was opposed to Landrieu’s approach saying that it “would eliminate the renewables component.” He explained that while one purpose of the energy bill is to reduce greenhouse gas emissions, another key goal is to diversify U.S. energy sources which he said will not happen without a meaningful RES mandate. Senators Byron Dorgan (D-ND) and Maria Cantwell (D-WA) joined the Democrats vs Democrats debate by pointing out that substantial federal support for coal and petroleum continues – and that the U.S. needs to diversify its energy sources in order to prevent a return to \$4 gasoline. Dorgan said that while he fully supports nuclear and oil and gas drilling, pursuing just these without strong support for renewables “means yesterday forever.”

In the roll call vote that Landrieu insisted on, the effort by Landrieu and Bayh to water down the RES further was defeated in a 12 to 11 vote. One Republican, Brownback, voted with the majority. (The committee is made up of 13 Democrats and 10 Republicans.) Landrieu promised to pursue the issue on the House floor.

Similar sharp divisions, broken ranks, and close votes followed on the issue of nuclear power. Sen. John McCain (R-AZ) offered an amendment to add nuclear power to the bill’s list of renewable energy sources. Bingaman responded that “Obviously I would oppose the amendment.” He said adding nuclear power – which already supplies 20% of U.S. electricity – would make the RES meaningless by eliminating the need for utilities to buy any wind, solar or biomass power to meet the mandate. The committee’s Ranking Member Lisa Murkowski (R-AK) supported McCain, saying “nuclear power has got to be counted.” But the amendment failed in a 13 to 10 vote, with Landrieu supporting McCain while Brownback once again joined the majority.

Based on agreements worked out beforehand, the committee did agree on a voice vote to one Murkowski amendment on nuclear power: removing newly-installed nuclear power from the base used to calculate the 15% RES. Murkowski also won committee support for her amendment to allow the Secretary of Energy to approve new sources of renewable energy so that the list isn’t restricted to “what we know today.” Next, she offered an amendment to sunset the RES if climate change cap & trade legislation becomes law. That amendment was rejected in a 12-11 vote with Bayh the one Democrat voting with the Republicans. Bingaman pointed out that a sunset provision would remove a key to renewable energy development: the long-term certainty that private industry needs in order to develop wind, solar and biomass projects.

After nearly three hours, the committee adjourned with only one more RES amendment to consider when members return for another markup session next week. But Bingaman and others agreed that key questions – such as the final percentage for the RES mandate and perhaps broadening the bill’s definition of biomass – will be fought over once again when the bill reaches the House floor later this month.