



06-10-09

Republicans unveil their own 'all-of-the-above' energy bill

By Jon H. Harsch

© Copyright Agri-Pulse Communications, Inc.

The day before the Senate Energy Committee plans to complete markup of its comprehensive energy legislation and the House Agriculture Committee begins work on the Waxman/Markey energy and climate change bill, Republicans released their own 152-page "American Energy Act."

The GOP energy bill published June 10th promises "To increase energy independence and job creation by increasing safe American energy production, encouraging the development of alternative and renewable energy, and promoting greater efficiencies and conservation for a cleaner environment."

The bill rejects the Waxman/Markey energy bill's central "cap-and-trade" approach which Republicans characterize as "cap-and-tax." Instead, the GOP bill's provisions include:

- **"Nuclear:** The 104 nuclear reactors in America today provide the United States with 20 percent of its electricity and 73 percent of its CO₂-free electricity, yet no new reactors have been ordered since 1978. This bill establishes a national goal to bring 100 new nuclear reactors online over the next 20 years to strengthen America's commitment to clean, reliable energy.
- "The bill reinforces a commitment to protect public health and safety while providing for an accelerated regulatory process for new nuclear applications. . .
- "The bill also provides a long-term solution for spent nuclear fuel. The legislation allows the NRC to finish its review of the Yucca Mountain repository without political interference, and repeals its 70,000 metric ton limitation, letting science and technology dictate how much the repository can safely hold.
- **"New and Expanded Technologies:** The bill creates a Renewable and Alternative Energy Trust Fund to provide funding for energy programs authorized by federal law, such as biomass, hydroelectric, clean coal, solar, wind, geothermal and other forms of renewable energy. . . using receipts from the new federal and oil gas leasing in the Arctic Coastal Plain and the Outer Continental Shelf (OCS).
- **"Alternative Fuels:** The bill spurs the development of America's alternative fuels by repealing the 'Section 526' prohibition on government purchasing fuels derived from sources such as oil shale, tar sands and coal-to liquid technology.

- **“Tax Provisions for New and Expanding Technology:** The bill encourages new and expanding energy technologies by making permanent tax credits for the production of renewable electricity, like wind, solar, and biomass. The bill also makes permanent investment tax credits for solar energy and for fuel cell properties and extends the biodiesel and renewable diesel tax credits.
- **“Outer Continental Shelf:** The Interior Department estimates that the OCS holds up to 86 billion barrels of oil and 420 trillion cubic feet of natural gas. Significant portions of the OCS remain unavailable because the current Administration continues to delay leasing activities.
- “The bill increases the supply of American energy by immediately moving forward with a leasing program on the already open OCS.
- “The bill also simplifies and harmonizes the OCS mileage restrictions, expanding state territorial waters to 12 miles offshore (most state borders stop at three miles) and gives coastal states a share of the receipts from such energy exploration. A portion of the revenues created by OCS exploration would go to a renewable energy trust fund to pay for a variety of renewable, alternative and advanced energy programs.
- **“Arctic Coastal Plain:** The bill increases American energy by opening the Arctic Coastal Plain to exploration in an environmentally-sound manner, which could provide an additional 1 million barrels of oil per day.
- “The bill requires timely lease sales, provides for revenue sharing with the State, designates a fund to mitigate the effects of exploration and development and provide for local community support, and devotes a portion of the revenues for a renewable energy trust fund to pay for renewable, alternative and advanced energy programs.
- **“Oil Shale:** It is estimated that more than 70 percent of American oil shale lies on federal lands which contain an estimated 1.23 trillion barrels of oil, more than 50 times the nation’s proven conventional oil reserves. The bill codifies the oil shale lease program and restores leasing activities that were already underway prior to being halted in February 2009, by the current Administration. The bill mandates that a lease sale be held within 180 days of enactment.
- **“Legal Reform:** The bill curtails dilatory lawsuits that are designed to obstruct American energy exploration. While ensuring people a day in court, it expedites judicial review by imposing a 60-day deadline on legal challenges and requires cases to be filed in the District Court for the District of Columbia, to prevent forum shopping.
- **“Refineries:** The newest significant refinery began operating in 1977. The bill increases American supplies of gasoline and diesel by encouraging greater refinery capacity by streamlining and accelerating the refinery permitting process. The bill also requires the President to designate at least three closed military installations as potentially suitable for construction of a refinery, including at least one suitable for refining biomass to produce biofuel.
- **“Environmental Review:** The bill reduces red-tape and cost to the Environmental Protection Agency arising from having to needlessly identify alternative locations for renewable energy projects, while ensuring a proper environmental review for the proposed action and no-action.
- **“Tax Incentives and Prizes:** The bill encourages American ingenuity by providing for competitive award cash prizes to advance the research, development, demonstration and commercial application of innovative energy technologies and new energy sources, including a \$500 million prize to the first U.S. automobile manufacturer to sell 50,000 economically feasible, super fuel-efficient vehicles that get 100 mpg.

- “The bill provides tax incentives for businesses and homeowners who improve their energy efficiency. It also extends tax credits for using energy efficient appliances and energy efficient upgrades made to existing homes, a tax credit for individuals who purchase a new energy efficient home and a tax credit for energy efficient commercial buildings, home energy audits and smart meters.”

Introducing the bill, Rep. Mike Pence (R-IN) said “The American Energy Act is centered on domestic exploration of our natural resources, and a renewed commitment to safe and emissions-free nuclear energy.” Rep. Darrell Issa (R-CA) added that “Without a firm commitment to nuclear power, Congress’ effort to reduce carbon emissions is nothing but a fool’s errand. . . the benefits of nuclear power cannot be ignored any longer.”

Rep. John Shimkus (R-IL) said that “Oil is once again going up, which means gas prices are going to go up. Some of my friends in Congress want to add to those costs with an energy tax disguised as ‘cap-and-trade.’ Instead of adding to your heating, cooling, and gasoline bills, I want our nation to increase production of American energy, such as clean-coal, nuclear, wind, solar, renewables, and off-shore oil and gas. We can make our nation less dependent on foreign energy at the same time we encourage new technologies that are environmentally friendly. We do not need to punish the American people with an energy tax.”

To read a summary of the GOP energy bill or read the complete text, go to:
<http://www.gop.gov/energy>