

DRAFT 1Sky Waxman-Markey Manager's Amendment Summary

Please email pier@1sky.org with corrections or adjustments

The good news is that thanks to our collective efforts, the Manager's Amendment includes significant quantities of new funding and establishes several new state and federal programs that aim to increase renewable energy deployment and ease worker and industry transition towards lowered energy intensity and greater efficiency.

Natural resource conservation and the inclusion of minorities and marginalized groups have been given stronger presence throughout the bill, and much foresight has been demonstrated in protecting climate change related health care and adaptation funding for future decades.

The bad news is that there are some proposed weakening amendments to the bill exacted by agricultural interests in exchange for a large block of votes on the House floor, including widened loopholes for renewable biomass, shifting offset jurisdiction to the USDA from the EPA, and delayed authority to address important sources of greenhouse gas emissions from indirect land use.

Renewable Electricity Standard (RES)

- Federal RES of 20% renewable energy by 2020 will now apply to all federal government agencies. This change represents a significant strengthening of the renewable energy component of the bill.
- The federal government is authorized to purchase renewable energy contracts for a duration of up to 20 years.
- Governors of 'Central Procurement States' will have the ability to take control of their RES. This would only apply to states without an independent procurement agency, primarily states in the Northeastern region, including New York.
- In the case that a Governor would attempt to weaken the RES by reducing the standard, oversight authority goes back to federal control. This would allow more ambitious States to employ greater quantities of renewable energy, while establishing the RES standard in ACES as a Federal baseline.

Significant Equity Improvements:

The bill's equity component has been dramatically strengthened. The bill will now provide cost protection for low-income families while adding significant funding for worker training and community development programs.

Low Income Community Sustainable Development Capacity Grant Program:

- Funding for training, education, and advising in all aspects of low-income community level sustainability: Authorizes the Appropriation of \$10 million
- New recognition of minority and woman-owned businesses (as potential innovators, employers of renewable technologies)
- Duty to target underserved and low income areas and families for energy efficiency assistance projects
- Green Construction Careers Demonstration Project designed ensure the quality and abundance of green constructions jobs, particularly from local, low-income communities

Significant Changes and Language Improvements:

- Stronger transmission language:
 - “Reduce environmental harm”
 - “Be transparent, open and inclusive”
 - Allow natural resources, land, environment and energy management agencies to contribute to planning
- Provision ensuring access to home-owners insurance for homes not connected to the energy grid
- Activities carried out under State Energy Efficiency Development programs will not be eligible for offset credits (redundancy)
- Protects Worker Training, Human Health Protection and Adaptation funds established under ACES from appropriation or use for any other purpose.
- Limits cost of permitting for the construction of solar energy systems.
- Authorizes a national education and awareness program for building, facility and industrial plant owners, business and government leaders about the energy saving potential of increased use of mechanical insulation.

- Provides incentives to lenders and financial institutions to provide lower interest loans and other benefits to consumers who build, buy, or remodel homes and businesses to improve their energy efficiency.
- Federal Energy Regulatory Commission (FERC) will have the authority to site interstate transmission lines, should Western states not take action to do so.
- New mandate: 10% of funding for the Retrofit for Energy and Environmental Performance (REEP) will have to be used for public and assisted housing retrofits

Authorizations for Appropriations The following represent new potential funding (not guaranteed funding) for both existing and newly mandated state and federal programs.

The Manager's Amendment authorizes the appropriation of (but does not appropriate) more than \$30 billion in both direct funding and loans to facilitate the transition of and increase efficiency within the manufacturing industry, increase private sector and Native American investment in renewable energy, reinforce green building mandates (especially in low income communities) and fund research and development in regions with undiscovered renewable energy potential.

Development Corporation for Renewable Power Lending Authority:

- Study renewable development in regions with unexplored potential: Authorizes for appropriation \$25 million
- Authorized for Appropriation: Maximum of \$3.5 billion in loans for renewable energy development per geographic region identified in that study

Industry Transition Support:

- Easing transitions to new, renewable markets in manufacturing:
- Authorizes the Appropriation of \$1.5 billion [over 5 years]

Revolving loans fund for small and medium sized green manufacturing businesses:

- To stimulate capacity, competitiveness and job creation in the manufacture of renewable energy equipment and technology
- Authorized for Appropriation: \$15 billion each year for 2010 and 2011
- This amount is unlikely to be fully appropriated, but indicates significant support for

Industrial Energy Efficiency Grants:

- To increase industrial sector energy efficiency: Authorizes the Appropriation of \$3.5 million [annually over 5 years]

Energy Efficiency Block Grant Program:

- New funding to carry out “energy efficiency improvements in new and existing single and multi family housing”, through grants to states, cities and local governments: Authorizes Appropriations of \$2.5 billion

Renewable Energy Source Loans to States and Indian Tribes:

- Loans to States and Indian Tribes to carry out renewable energy projects. Funding for incentives for residential renewable energy development, including incentives for businesses and public buildings to switch to renewable energy sources: Authorizes the Appropriation of \$5 billion

Green Mortgage Program:

- Support for “green mortgages” that contain a percentage of the mortgage specifically used to fund sustainable building elements: Authorizes the Appropriation of \$500 million each year from 2012 to 2014

Multifamily Rental Assistance:

- Authorizes the Appropriation of \$50 million towards energy efficiency and renewable energy adoption by individuals participating within current rental assistance programs for low-income communities.

High efficiency natural gas turbine research:

- Authorizes the appropriation of \$65 million [over 5 years]

Grants to enforce green building code efficiency mandate:

- Authorizes the appropriation \$20 million [over 5 years]

Worker Training:

- 0.75% of 2012 and 2013 allowances will be auctioned and deposited in the Energy Efficiency and Renewable Energy Worker Training Fund

Early Actors Emissions Reductions:

- 0.1% of 2012 allowances to compensate Early Actors on emissions reductions taken between 2001 and 2009

State Renewable Energy and Efficiency Programs:

- 0.05% of allowances from 2012 to 2017, and 0.03% from 2018 through 2050.

Supplemental Agriculture and Renewable Energy:

- Allocates 0.28% of all emissions allowances, 2012 through 2016 for supplemental agriculture (sequestration where there are limited opportunities to do so, as well as non-GHG related environmental quality) and renewable energy support.

New Education / Awareness Programs:

- Make It Green Program: Specifies the use of “indigenous trees, shrubs, grasses and other plants”, post care maintenance and minimum green space for all new or major projects receiving Department of Housing and Urban Development assistance.
- Commitment for new consumer behavior research and their total energy consumption
- Efficiency awareness and education program for building and plant owners and managers
- Internet based training and resource clearinghouse for green workers

Potential Sources of Weakening:

- Bases allowance distribution to “cogeneration” facilities entirely upon carbon emissions from 2006 to 2009 (as opposed to the formula for all other facilities based jointly on historic emissions and retail electricity sales)
 - Cogeneration: plants that derive more than 80% of heat input from coal, petroleum coke, or any combination of the two (greater than 100MW)
- Makes natural gas fueled vehicles eligible for clean vehicle incentives; vehicle integration program and manufacturing incentives for alternatively fueled vehicles.
- New study will be conducted into thorium based fuel reactors (radioactive fuel based electricity generation)
- Removed requirement for EPA to set emissions/efficiency standards for airlines

Agricultural and Forestry Offset Changes:

- The Agricultural Committee changes place authority for Agricultural and Forestry Offsets with the USDA.
- Biomass definition is significantly broader, with stripped down language and fewer restrictions on qualifying sources.
- Section defines additionally for offsets, but leaves broad rulemaking authority to the Secretary of Agriculture for eligible practices, baselines and

methodology.

- 'Offset Integrity Advisory Committee' at EPA has been removed, and replaced with a 'Greenhouse Gas Emissions and Reductions and Sequestration Advisory Committee' created at USDA, with similar duties to the original committee.
- Indirect Land Use study by EPA and USDA is delayed 5 years, awaiting the completion of a National Academy of Sciences study on the same.
- Biodiesel lifecycle analysis is exempted (grandfathered in) for facilities that commenced construction BEFORE Energy Independence and Security Act 2007