



## **DRAFT 1Sky Waxman-Markey Manager's Amendment Summary**

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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 fossil fuels, shifting offset jurisdiction to the USDA from the EPA, and revoked authority to address important sources of greenhouse gas emissions.

### **Renewable Electricity Standard (RES)**

- Governors will have the ability to take control of their RES, but cannot weaken it. If they do, 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.
- Federal RES of 20% renewable energy by 2020 will now apply to all federal government agencies.
- The federal government is authorized to purchase renewable energy contracts for a duration of 20 years.

**Appropriations: The following represent entirely new funding for both existing and newly mandated state and federal programs.**

Development Corporation for Renewable Power Lending Authority

- Authorization to study renewable development in regions with unexplored potential: \$25 million
- 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: \$1.5 billion [over 5 years]

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

- \$30 million
- To increase industrial sector energy efficiency: \$3.5 million [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: \$2.5 billion

#### Low Income Community Sustainable Development Capacity Grant Program:

- Funding for training, education, and advising in all aspects of low-income community level sustainability: \$10 million

#### 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: \$5 billion

#### Green Mortgage Program

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

#### Multifamily Rental Assistance

- \$50 million

#### Additional:

- High efficiency natural gas turbine research: \$65 million [over 5 years]
- Grants to enforce green building code efficiency mandate: \$20 million [over 5 years]

#### Worker Training:

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

#### Early Actors Emissions Reductions:

- 0.75% of 2012 allowances to compensate Early Actors on emissions reductions taken between 2001 and 2009



### State Renewable Energy and Efficiency Programs.

- 0.5% of allowances from 2012 to 2017, and 0.3% from 2018 through 2050.

### **Significant 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
- 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
- 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.

### **New Education / Awareness Programs:**

- 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
- Green Construction Careers Demonstration Project to promote middle class careers in renewable innovation, engineering, etc.
- 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.



### **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)
- Natural gas fuelled vehicles will now be eligible for credits as the Secretary of Energy deems appropriate
- New study will be conducted into thorium based fuel reactors (radioactive fuel based electricity generation, it’s never been mentioned before in any draft of Waxman-Markey and could create unlimited amounts of energy)
- 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