



Legislative Update
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Strong Federal Government Interest in Energy Efficiency

- Energy efficiency provisions included in the American Recovery and Reinvestment Act (ARRA)
- House forms Green Buildings Caucus
- Energy efficiency provisions included in House Climate Change bill and Senate Energy bill

ARRA Includes Consumer Tax Credit for Energy Efficient Windows

- Extends the credit for energy-efficient doors and windows, insulation, air conditioners, furnaces, heat pumps and boilers to make it available for calendar year 2010.
- Increases the amount of the tax credit from 10% to 30% of the cost incurred by the taxpayer for qualified energy improvements.
- Makes standards for qualified products more stringent.
- Sets an overall cap of \$1,500 for improvements to a dwelling.

Energy Efficiency Provisions in ARRA

- **Home Weatherization:** \$5 billion to help low-income families reduce their energy costs by weatherizing their homes.
- **GSA Federal Buildings:** \$4.5 billion for renovations and repairs to federal buildings, focused on increasing energy efficiency and conservation.
- **Energy Efficiency Housing Retrofits:** \$250 million for a new program to upgrade HUD sponsored low-income housing to increase energy efficiency, including new insulation, windows, and furnaces.

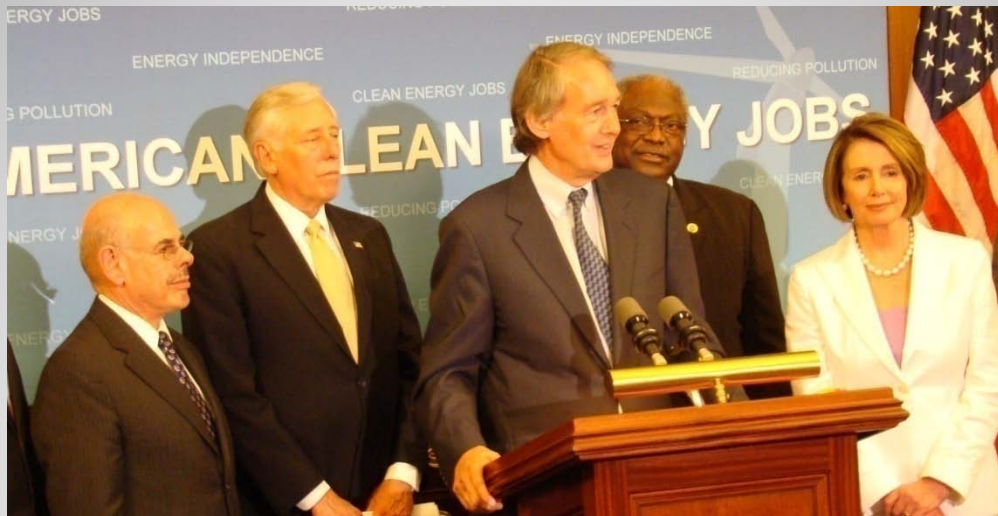
Energy Efficiency Provisions in ARRA

- **Energy Efficiency and Renewable Energy Research:** \$2.5 billion for energy efficiency and renewable energy research. Funds are awarded on a competitive basis to universities, companies, and national laboratories.
- **Local Government Energy Efficiency Grants:** \$6.3 billion to help state and local governments make investments that make them more energy efficient and reduce carbon emissions.
- **Training for Green Jobs:** \$500 million to prepare workers for careers in energy efficiency and renewable energy fields.

House forms Green Buildings Caucus

- Co-Chairs are Rep. Russ Carnahan (D-MO) and Judy Biggert (R-IL)
- 27 Members: 23 Democrats, 4 Republicans
- Caucus holds regular briefings for Members of Congress and their staff

House passes Waxman-Markey Climate Change Bill



- American Clean Energy and Security Act (ACES)
- Passed June 26, 2009 by a vote of 219-212, on a mostly party-line vote, with 44 Democrats voting no and 8 Republicans voting yes.
- Waxman-Markey contains several energy efficiency provisions.

Energy Efficiency Provisions in Waxman-Markey

Investments in Clean Energy and Energy Efficiency

- Requires major sources of carbon emissions to obtain a pollution permit called an “allowance” for each ton of carbon dioxide or its equivalent that they emit.
- Through 2025, 13% of these allowances are allocated to investments in clean energy and energy efficiency, including:
 - \$90 billion investment in state programs to promote renewable energy and energy efficiency
 - \$20 billion in basic research and development into clean energy and energy efficiency

Energy Efficiency Provisions in Waxman-Markey

State Energy and Environmental Development (SEED)

- Allows states and local government to create SEED funds which serve as a common repository to manage and account for federal financial assistance that is designated for clean energy, energy efficiency, and climate change purposes.

Building Standards

- Establishes a national energy efficiency building code for residential and commercial buildings and requires states and local governments to comply with this new national standard.
- Requires new buildings to be 30% more efficient in 2012 and 50% more efficient in 2016.

Energy Efficiency Provisions in Waxman-Markey

Retrofit for Energy and Environmental Performance (REEP) Program

- Will facilitate retrofitting initiatives throughout the country for residential and nonresidential buildings to achieve maximum cost-effective energy efficiency improvements
- EPA will develop standards for a retrofit policy for single-family and multi-family residences, and is required to use existing programs especially the Energy Star for Buildings program.
- DOE will develop standards for commercial buildings and is required to designate and fund a High-Performance Green Building Partnership Consortium.
- Funding will be made available through SEED funds for REEP.

Energy Efficiency Provisions in Waxman-Markey

Energy Efficient Manufactured Homes

- Authorizes DOE grants to states to provide rebates of up to \$7500 for low-income families residing in pre-1976 mobile homes.
- Rebates could be applied toward the purchase of a new Energy Star-rated manufactured home.

Building Energy Performance Labeling Program

- Directs EPA to create model building energy performance labels for new construction that would apply broadly to residential and commercial building markets. Goal is to encourage owners and occupants to reduce energy use and to establish a meaningful and consistent basis for evaluating the energy performance of residential and commercial buildings.

Energy Efficiency Provisions in Waxman-Markey

Best-in-Class Appliances Deployment Program

- Directs DOE to establish a deployment program to reward retailers with bonuses for increasing the sales in best-in-class high-efficiency electronics and building equipment.
- A bonus program is also established for manufacturers that develop new “superefficient best-in-class” products.

Green Resources for Energy Efficient Neighborhoods (GREEN)

- Provides incentives to lenders and financial institutions to provide lower interest loans and other benefits to consumers who build, buy or remodel their homes in ways that improve energy efficiency. The bill also increases energy efficiency standards for HUD owned and assisted housing.

Energy Efficiency Provisions in Waxman-Markey

Energy Star Standards

Amends the statutory authority for EPA Energy Star program to:

- Establish a scaled grading system from “A” for the most efficient to “F” for the least efficient product.
- Require a product review at least once every three years and periodic testing to verify compliance with current Energy Star criteria.
- Authorizes \$5 million for FY10 and each year thereafter for the Energy Star program.

Senate Takes Action On Energy Efficiency

- Part of broader Bingaman bill that does not include Climate Change.
- Passed Senate Energy and Natural Resources on June 17, 2009.
- Senate leadership plans to merge Bingaman bill with Boxer's Climate Change bill.
- Boxer and Reid have delayed moving Climate Change bill until September 28.

Energy Efficiency Provisions in Senate Energy Bill

Advanced Building Codes

- Sets energy savings improvement targets for residential and commercial buildings at 30% in 2010 and 50% after 2016.
- Increases funding for States for code compliance, technical analysis, training, and financial assistance.

State Energy Efficiency Retrofit Programs

- Provides grants to states for residential and commercial building retrofits. Building owners would receive financial incentives to finance up to 50% of retrofits.

Energy Efficiency Provisions in Senate Energy Bill

Home Energy Retrofit Finance Program

- Provides grants to states for building retrofits, including local programs to allow owners to finance energy improvements through property tax bill payback.

Building Energy Performance Information Program

- Creates model energy performance labels for commercial and residential buildings.

Energy Efficiency Provisions in Senate Energy Bill

Federal Building Efficiency

- Enhance ability of federal agencies to meet goals for renewable energy and efficiency in federal buildings.

National Energy Efficiency Goals

- Establishes goals to achieve an improvement of the nation's energy productivity of at least 2.5% annually by 2012.

Evaluation, Measurement and Verification

- Creates uniform rules for the evaluation, measurement, and verification of energy savings from efficiency programs.

Political Outlook

- Senate will have a hard time getting to 60 votes on comprehensive Climate Change legislation.
- There is a universe of roughly 25 key Senators in play.
- This includes the Democratic Senators who represent the states that are home to the 44 House Democrats who opposed the Waxman-Markey bill in the House and the “Group of 15” Senators.
- If Climate Change cannot pass the Senate, they may take up the Bingaman bill and Congress may pivot to enacting just an energy bill.