Session V: 
Public Policy, Legislature, & Regulatory Policy Issues

Introduction

- Renewable Energy Policymaking in Action
- A Forecast for Policy Changes
- Potential Political Outcomes
1. Renewable Energy Policymaking in Action

The long term solution to the economic aspect of the energy crisis would be “a massive effort to provide producers an incentive to increase their supply, to encourage consumers to use existing supplies more rationally and to develop alternative energy sources.”

U.S. Energy Policy

The long term solution to the economic aspect of the energy crisis would be “a massive effort to provide producers an incentive to increase their supply, to encourage consumers to use existing supplies more rationally and to develop alternative energy sources.”
Energy Policy – Largely Consistent Between Administrations

“Our third goal is to promote energy independence for our country, while dramatically improving the environment. I have sent you a comprehensive energy plan to promote energy efficiency and conservation, to develop cleaner technology, and to produce more energy at home.” President George W. Bush State of the Union address, January 28, 2003.

“... as we transition to renewable energy, we can and should increase our domestic production of oil and natural gas.” “I will call on businesses, government, and the American people to meet the goal of reducing our demand for electricity 15% by the end of the next decade.” “Along with the cap-and-trade program I’ve proposed, we will reduce our dangerous carbon emissions 80% by 2050, slow the warming of our planet, and create five million new jobs in the process.” President Barack Obama (then presidential candidate), Speech on energy in Youngstown, Ohio on August 5, 2008.

Assuming no new policies, growth in U.S. energy-related CO2 is driven by electricity and transportation fuel use

<table>
<thead>
<tr>
<th>Year</th>
<th>Bedroom</th>
<th>Transportation</th>
<th>Electric Power</th>
<th>Buildings and Industrial</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>5,814 (41%)</td>
<td>1,925 (33%)</td>
<td>2,359 (41%)</td>
<td>1,530 (26%)</td>
</tr>
<tr>
<td>2035</td>
<td>6,320 (42%)</td>
<td>2,115 (33%)</td>
<td>2,634 (42%)</td>
<td>1,571 (25%)</td>
</tr>
</tbody>
</table>

Richard G. Newell, MIT-NESCAUM, 8/25/2010

Source: Annual Energy Outlook 2010
Global energy consumption grows 49% and non-OECD countries account for 86% of the increase through 2035

Non-fossil U.S. energy use grows rapidly, but fossil fuels still provide 78 percent of total energy use in 2035
Growth in electricity use continues to slow

<table>
<thead>
<tr>
<th>Period</th>
<th>Annual Growth</th>
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<tbody>
<tr>
<td>1950s</td>
<td>9.8</td>
</tr>
<tr>
<td>1960s</td>
<td>7.3</td>
</tr>
<tr>
<td>1970s</td>
<td>4.7</td>
</tr>
<tr>
<td>1980s</td>
<td>2.9</td>
</tr>
<tr>
<td>1990s</td>
<td>2.4</td>
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<tr>
<td>2000-2008</td>
<td>0.9</td>
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<tr>
<td>2008-2035</td>
<td>1.0</td>
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Projections

Structural Change in Economy - Higher prices - Standards - Improved efficiency

Source: Annual Energy Outlook 2010

Renewables are the fastest growing energy source (but from a relatively small base)

Source: EIA, International Energy Outlook 2010
It often takes time to achieve consensus for an acceptable solution

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<tbody>
<tr>
<td>House Passed – 8/2/01 (240-189)</td>
<td>House Passed – 4/11/03 (247-175)</td>
<td>House Passed – 6/15/04 (244-178)</td>
<td>House Passed – 4/21/05 (249-183)</td>
<td>8/8/05</td>
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<tr>
<td>Alternative Fuel Vehicle</td>
<td>Arctic Coastal Plain</td>
<td>Alaska Natural Gas Pipeline Act</td>
<td>Arctic Coastal Plain</td>
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<tr>
<td>Acceleration Act;</td>
<td>Domestic Energy Security Act;</td>
<td>Act; Energy Tax Policy Act;</td>
<td>Domestic Energy Security Act;</td>
<td></td>
</tr>
<tr>
<td>Arctic Coastal Domestic</td>
<td>Energy Tax Policy Act;</td>
<td>Indian Tribal Energy Development and Self-Determination Act</td>
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<tr>
<td>Energy Security Act; Energy Tax</td>
<td>Natural Gas and Other Petroleum Research, Development, and Demonstration Act</td>
<td></td>
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<td></td>
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<tr>
<td>Policy Act; Natural Gas and Other Petroleum Research, Development, and Demonstration Act</td>
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</table>

When the Congress thinks it is facing a crises they can move quickly (i.e. Emergency Economic Stabilization Act of 2008 Timeline)

<table>
<thead>
<tr>
<th>TARP Amendment to H.R. 3997</th>
<th>Emergency Economic Stabilization Act of 2008 Amendment to H.R. 1424</th>
<th>Signed into Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senate Passed – 4/25/02 (88-11)</td>
<td>Senate Passed – 6/28/05 (85-12)</td>
<td>Public Law No: 110-343</td>
</tr>
<tr>
<td>Controversial Provisions:</td>
<td>Controversial Provisions:</td>
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<tr>
<td>Alaska Natural Gas</td>
<td>Arctic Coastal Plain;</td>
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<tr>
<td>Pipeline Act; Energy Tax</td>
<td>Domestic Energy Security Act; Indian Tribal Energy Development and Self-Determination Act</td>
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<tr>
<td>Incentive Act; Federal Reformulation Fuels Act</td>
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When the Congress thinks it is facing a crises they can move quickly (i.e. Emergency Economic Stabilization Act of 2008 Timeline)
1. The Perspective of Policymakers

2. A Forecast for Policy Changes

Winter 2009 Headlines

Obama touts his economic recovery plan
UPI.com Jan 16, 2009
The economic recovery "starts with new, clean sources of energy," Obama said. "We know that the possibilities here are limitless."

Does the Energy Industry Really Like 'Green Jobs'?
CQ.com, Jan 2009

Obama To Congress: Economic Recovery 'Begins' With Clean Energy
Environment News Service, Feb 2009

Obama Says Climate-Change Measure Will Transform U.S. Economy
Bloomberg, Jun 2009
Winter 2010 Headlines

Obama Still Wants Congress to Pass Climate Law
Reuters, Dec 2009

Clean Energy Jobs Top Priority in Obama's State of the Union Address
Environment News Service, Jan 2010

Climate Bill Prospects Fade With Republican U.S. Senate Victory
Bloomberg, Jan 2010

Today’s Headlines

Obama outlines acceleration of clean-energy economy
Market Watch, Jul 2010

Obama Says Commitment to Clean Energy Will Boost Jobs
Bloomberg, Aug 2010

Energy Funds Went Unspent, U.S. Auditor Says
NYTimes, Aug 2010

Renewable energy: The government piggy-bank
Fortune, August 2010
Roles of Federal Government In Energy Policy

- Executive Branch
  - EOP
  - Federal Agencies
    - Regulations
    - Implementation of funding programs: Loan guarantee, block grants, direct payments.

Roles of Federal Government In Energy Policy

- Legislative Branch
  - Senate Committees:
    - Energy and Natural Resources
      - (Chairman, Jeff Bingaman; Ranking Member, Lisa Murkowski)
    - Environment and Public Works
      - (Chairman, Barbara Boxer; Ranking Member, James Inofe)
    - Finance
      - (Chairman, Max Baccus; Ranking Member, Chuck Grassley)
    - Appropriations
      - (Chairman, Daniel K. Inouye; Ranking Member, Thad Cochran)
Roles of Federal Government In Energy Policy

- Legislative Branch
  - House Committees:
    - Energy and Commerce
      - (Chairman, Henry Waxman; Ranking Member, Joe Barton)
    - Natural Resources
      - (Chairman, Nick Rahall; Ranking Member, Doc Hastings)
    - Appropriations
      - (Chairman, David Obey; Ranking Member, Jerry Lewis)
    - Ways and Means
      - (Chairman, Sander Levin; Ranking Member, Dave Camp)

Senate Energy & Natural Resources Committee

- Chairman Jeff Bingaman (NM)          Lisa Murkowski (AK)
- Byron L. Dorgan (ND)                  Richard Burr (NC)
- Ron Wyden (OR)                       John Barrasso (WY)
- Tim Johnson (SD)                     Sam Brownback (KS)
- Mary L. Landrieu (LA)                James E. Risch (ID)
- Maria Cantwell (WA)                  John McCain (AZ)
- Robert Menendez (NJ)                 Robert Bennett (UT)
- Blanche Lincoln (AR)                 Jim Bunning (KY)
- Bernard Sanders (I) (VT)             Jeff Sessions (AL)
- Evan Bayh (IN)                       Bob Corker (TN)
- Debbie Stabenow (MI)
- Mark Udall (CO)
- Jeanne Shaheen (NH)

LEAVING  ELECTION IN DOUBT
Climate Change Legislation in this Congress

- Introduced in House – 5/15/09
  H.R. 2454
- House Committee on Energy and Commerce issued report – 6/5/09
  H. Rept. 111-137

May ’09
- Senate Energy and Natural Resources Committee Reported out American Clean Energy Leadership Act of 2009

June ’09
- There are lots of steps left in the Legislative process.

1. The Perspective of Policymakers
2. Political Environment
3. Potential Election Outcomes
Election Outlook

- September 9, 2010

The Cook Political Report’s current outlook is for a Republican net gain of at least 40 seats. A turnover of 39 seats would tip majority status into Republican hands. At this point, only 205 House seats are Solid, Likely or Lean Democratic, while 181 seats are Solid, Likely or Lean Republican, and 49 seats are in the Toss Up column.
