

# Center for American Progress Action Fund



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**Memorandum for:** Interested Parties  
**From:** John Podesta, Daniel J. Weiss, & Kit Batten  
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**Subject: Pending Energy Legislation**

The Senate plans to debate energy legislation over the next several weeks. This debate occurs when Americans desperately want Congress to redirect energy policy towards independence. A recent poll by GreenbergQuinlanRosner Research for the Center for American Progress Action Fund found that “reduce dependence on oil and coal to stop global warming” was the second most important domestic issue, barely behind health care, and a higher priority than education, retirement security or globalization. The poll also found Americans want freedom and self sufficiency from our energy policies. This includes freedom from the grip of oil selling nations, big oil and coal companies, and other entities that control energy policy and profit from high prices.

During the upcoming debate, opponents of clean energy will argue that requirements for more renewable electricity, better gasoline mileage, or new, cleaner fuels are too difficult or expensive. The poll indicates that Americans feel otherwise. They believe that with our ingenuity and can do spirit, the U.S. should lead the world in clean alternative energy. If the political will exists, they believe that we can do anything. They want accountability—our leaders must do the right thing and put tax dollars to good use. [Finally, Americans think that clean energy is a path to greater economic growth and jobs.](#)<sup>1</sup>

## **Senate Energy Bill Begins Energy Independence Effort**

Senators have the opportunity to craft an energy bill that reflects Americans’ values and beliefs during its imminent consideration of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act, H.R. 6 (originally S. 1419) sponsored by Senators Jeff Bingaman and Pete Domenici. This bill makes a good start towards meeting Americans’ expectations. It includes valuable provisions on biofuels, energy efficiency, “green” federal buildings, research on carbon capture and storage, and development of a “smart grid.” There are other innovative proposals that should be added during floor consideration that would dramatically boost investments in clean energy, increase energy savings, and reduce global warming pollution.

## **Recommendations:**

- Support Senator Bingaman’s 15 percent renewable electricity standard amendment.
- Close loopholes in fuel economy standards; oppose efforts to delay or weaken requirements.

- Support biofuels requirements and certification for sustainable production
- Support a low carbon fuel standard.
- Support Senators Bernie Sanders and Hillary Clinton's clean energy workforce amendment.
- Oppose all efforts to preempt state programs to reduce oil use or global warming pollution.

### **Establish Renewable Electricity Standard**

Twenty four states have renewable electricity standards that require up to 25 percent of their electricity from solar, wind, geothermal, and other clean alternative energy technologies. However, 40 percent of Americans live in states without such a program. Senator Bingaman is expected to offer an amendment to establish a 15 percent renewable energy standard by 2020. An RES at that percentage level would have a negligible impact on electricity prices, and would significantly lower natural gas bills for residential, commercial, and industrial consumers. [An analysis of a 20 percent RES found that it would create more than 355,000 jobs and reduce electricity and gas prices by \\$49 billion.](#)<sup>2</sup>

Americans would be willing to support a more ambitious RES of 25 percent by 2025. The CAP poll found that 65 percent of respondents supported this proposal.

We urge support for Senator Bingaman's amendment, as well as any efforts to strengthen it.

### **Boost Fuel Economy Standards**

Fuel economy standards were last raised in 1983. An increase of fleet-wide vehicle fuel efficiency would dramatically reduce oil consumption and global warming pollution. The National Commission on Energy Policy found that [deployment of existing technology could increase mileage up to 37 miles per gallon, with these the changes paying for themselves over the life of the vehicle.](#)<sup>3</sup> A four percent per year increase in CAFE standards would save 610,000 barrels of oil per day by 2015.

The Senate version of H.R. 6 would require a boost in fuel economy to 35 mpg by 2020. As with renewable electricity, Americans desire a very ambitious fuel economy program. [The CAP energy poll found that 66 percent of Americans support a 40 mpg by 2017 fuel economy standard.](#)<sup>4</sup> This includes 74 percent of Independents, 67 percent of Democrats, and 60 percent of Republicans.

The federal government has failed to address global warming, so a dozen states led by California adopted identical limits on greenhouse gas pollution from cars. Americans would be surprised to learn that there is an effort underway in the House of Representatives to block this state level global warming pollution reduction program.

This same draft House bill would also overturn part of the Supreme Court's decision in *Massachusetts v. EPA* that gives EPA the authority to regulate global warming pollution.

Senators should vote against any amendments that would attempt to accomplish the same backward looking goal.

We urge support for closure of fuel economy escape provisions, and oppose efforts to weaken fuel economy standards or deadlines.

### **Renewable Fuels Standard**

Auto industry advocates make an important point: the burden of reductions in oil use and global warming pollution from the transportation sector should not fall solely on vehicles. It is time to make fuels cleaner to ease oil dependence and reduce global warming pollution.

H.R. 6 includes a program to boost biofuels production by 36 billion gallons by 2022, with two thirds of this produced from something other than corn. A Renewable Fuels Standard of 25 percent by 2025 would further reduce consumption of oil and global warming pollution.

A renewable fuels mandate must ensure environmental safeguards, monitoring, and access to information regarding production processes, carbon management, and land use practices. There must be incentives for biofuels producers to conserve land and water resources, safeguard wildlife habitat and sensitive ecosystems, and grow energy crops in a sustainable manner.

We urge support for the renewable fuels standard and an amendment to promote certification programs for the sustainable production of alternative fuels.

### **Coal-to-Liquids is Not a Solution**

The U.S. must achieve both energy independence *and* a reduction in global warming pollution, and avoid solutions that address one problem while exacerbating the other. The drive to convert coal into liquid transportation fuels could reduce oil consumption. However, the production of liquid coal yields twice as much global warming pollution compared to gasoline. [Even if there is carbon capture and storage of the pollution produced during production, the combustion of liquid coal in vehicles produces more pollution than gasoline.](#)<sup>5</sup> Thus, using liquid coal to reduce oil use would increase global warming pollution. The adoption of a “low carbon fuel standard” would drive public and private investment towards clean alternative fuels that would achieve both goals. This standard should cover both surface transportation and aviation fuels to ensure that there are pollution reductions from both sources.

Coal is America’s most plentiful energy resource. It will continue to generate electricity for the foreseeable future. Electricity generation from coal produces roughly 35 percent of U.S. global warming pollution. Fortunately, carbon capture and storage (CCS) technology could enable power plants to burn coal with dramatically less pollution. H.R. 6 would invest in CCS research and development. [Global Warming and the Future of Coal](#), an analysis by the Center for American Progress, determined that mandatory CCS for coal plants is the most effective way to speed the development and deployment of this technology.<sup>6</sup> This would provide an economic and environmentally sound path for the use of this abundant resource.

We urge support for a low carbon fuel standard amendment that ties the production of clean alternative surface and aviation fuels to their greenhouse gas emissions.

### **Develop Clean Energy Workforce**

Many of the new clean technologies will require a workforce with specialized skills to install, operate, and maintain these energy providers. To ensure the steady growth of the renewable energy and energy efficiency industries, there should be an Energy Efficiency and Renewable Energy Workforce Training Program.

These newly trained workers could enlist in the growth industries of wind and solar power, with 26 percent and 40 percent annual growth, respectively. The trainees could include veterans, those displaced due to energy industry changes, and others looking for a ticket to the middle class. This program is in the Energy Efficiency and Renewable Energy Worker Training Program bill, sponsored by Senators Sanders and Clinton. It will be offered as an amendment to the Energy Savings Act of 2007.

We urge support for Senators Sanders and Clinton's clean energy workforce amendment.

### **Maintain State Energy Independence and Global Warming Programs**

The states have been called the "laboratories of democracy" because they often develop innovative solutions to problems before the federal government. This is particularly true for energy independence to stop global warming. Due to six plus years of inaction, two dozen states have developed their own clean energy, clean cars, and global warming pollution reduction programs. States that demonstrate leadership should continue their programs if they provide more protection than the federal government. Congress should not preempt their efforts to provide more protection for their citizens than the federal government.

We urge opposition to amendments to preempt state energy independence and global warming standards.

### **Senate Legacy Moment At Hand**

The United States is at a cross roads. We can continue down our current path of oil dependency and more global warming pollution. Or, we can choose to launch a new innovative clean energy future with the adoption to the aforementioned policies. Similarly, the Senate is at a crossroads too. Will it yield to the temptation to support a big oil status quo energy agenda that benefits them at our expense? Or will the Senate ignore these pleas, and instead, respond to the public's demand for energy independence to stop global warming? The latter course will provide a lasting legacy, sure to be honored by future generations. We strongly urge you to take the clean energy path into the future.

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<sup>1</sup> [http://www.americanprogress.org/issues/2007/04/environment\\_poll.html](http://www.americanprogress.org/issues/2007/04/environment_poll.html)

<sup>2</sup> [http://www.ucsusa.org/clean\\_energy/renewable\\_energy\\_basics/renewing-americas-economy.html](http://www.ucsusa.org/clean_energy/renewable_energy_basics/renewing-americas-economy.html)

<sup>3</sup> [http://www.energycommission.org/files/contentFiles/report\\_noninteractive\\_44566feaabc5d.pdf](http://www.energycommission.org/files/contentFiles/report_noninteractive_44566feaabc5d.pdf)

<sup>4</sup> [http://www.americanprogress.org/issues/2007/04/environment\\_poll.html](http://www.americanprogress.org/issues/2007/04/environment_poll.html)

<sup>5</sup> <http://www.epa.gov/otaq/renewablefuels/420f07035.htm>

<sup>6</sup> [http://www.americanprogress.org/issues/2007/05/coal\\_report.html](http://www.americanprogress.org/issues/2007/05/coal_report.html)