



Senate Committee on Energy & Natural Resources

U.S. Senator Pete V. Domenici, NM, Chairman

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SENATE PASSES BIPARTISAN ENERGY BILL 85-12

Washington, D.C. – The U.S. Senate today passed H.R. 6 – a comprehensive, bipartisan energy bill – by a vote of 85-12.

In remarks on the floor to passage, Chairman Domenici noted that the bill clearly expressed the will of the Senate that America's energy supply should be as clean and renewable as possible and new nuclear power should play a bigger role in America's energy strategy. The bill does everything possible to bring more natural gas to market, hopefully lowering prices for consumers and industrial users and protecting jobs, he said. In addition, this energy bill stimulates the economy and creates new jobs across all sectors of the economy.

Chairman Domenici issued the following statement following passage:

"Today's vote was a high point for me. I thank the Senate for its support and congratulate my Republican and Democrat colleagues on the energy committee for writing a bill strong enough to receive the overwhelming endorsement of this Senate.

"We still have a lot of work ahead of us. I anticipate the swift naming of conferees and immediate progress to conference. The President has asked us to have a bill on his desk before August. I intend to do everything I can to meet that deadline."

HIGHLIGHTS OF THE BIPARTISAN ENERGY BILL

The bipartisan Senate energy bill contains the following key provisions to increase production, increase conservation, diversify fuel supply and employ new technologies:

- An ethanol mandate requiring fuel manufacturers to use 8 billion gallons of ethanol in gasoline by 2012.
- A strong federal program to design and deploy clean coal technologies so America can continue to use its 250-year supply of coal while protecting our air and water.
- An ambitious efficiency and conservation program that sets first-time efficiency standards for 14 large appliances and raises the efficiency standards for others.
- Provisions to encourage the expansion and modernization of the electricity grid as well as new federal reliability rules designed to prevent future blackouts.
- A hydrogen research program in conjunction with federal labs, universities and auto manufacturers to design hydrogen cars.

- A fuel-savings provision requiring the federal government devise a plan to save 1 million barrels of oil a day by 2015.
- A federal renewable portfolio standards provision that requires electric suppliers to acquire 10% of their supplies from renewable resources such as wind, solar, geothermal, biomass or ocean by 2020.
- A federal loan guarantee program to encourage the design and deployment of innovative technologies such as coal gasification and advanced nuclear power plants aimed at diversifying and

increasing energy supply while protecting the environment.

- A Sense of the Senate that Congress should enact a comprehensive and effective national program of mandatory, market-based limits and incentives on emissions of greenhouse gases that slow, stop and reverse the growth of such emissions.
- A Climate Technology program that directs the Secretary of Energy to lead an inter-agency process to develop and implement a national climate technology strategy. This provision also establishes an executive branch Climate Coordinating Committee and Climate Credit Board to assess, approve and fund these projects. Using greenhouse gas intensity as a measure of success, the bill creates incentives for innovative technologies and encourages partnership with other developing nations.
- Provisions to streamlining of oil and gas development on existing federal lease sites to bring the fuels to market sooner.
- An inventory of oil and gas resources on the Outer Continental Shelf that to enable to the federal government to better manage these resources.
- Instructions to the federal government to look for ways to improve Corporate Automobile Fuel Efficiency standards while taking into consideration the impact on automobile safety, jobs and the economy.

The bill complements provisions in the authorizing package with tax incentives that further encourage production, conservation and the use of technology to stabilize energy prices and protect our environment. The tax incentives include:

- Tax incentives to increase the production of electricity from new advanced nuclear power plants, a critical step in addressing climate change concerns.
- Tax incentives program to encourage the construction of clean coal facilities, including a new 20 percent investment tax credit for clean coal facilities and a new 20 percent investment tax credit for coal gasification units that produce fuels and chemicals.
- A provision aimed at stabilizing gasoline prices by encouraging expanded refinery capacity. Refinery owners get to immediately depreciate refinery expenses when those expenses increase overall capacity by 5 percent or throughput capacity of qualified fuels by 25 percent.
- An investment tax credit for metallurgical coke facilities (coke is a coal residue) that meet certain emission limitations to better protect the environment.
- Expansion of an existing business solar investment tax credit from the current 10 percent to 30 percent for the purchase of solar equipment.
- A tax deduction equaling the cost of energy efficient equipment installed if the equipment reduces the energy and power consumption of a commercial building by 50 percent.
- Tax credits for the contractors of new energy efficient homes if the homes achieve an energy savings of 30 percent or more over the 2003 International Energy Conservation Code.
- Tax deductions for the purchase of water heaters, heat pumps, air conditions, furnaces and other equipment that achieve certain efficiency levels when purchased for businesses or residential rental properties. This becomes a tax credit when purchase for residential use.
- A new tax credit for home owners who purchase certain energy-efficient dishwashers, clothes washers and refrigerators.
- 30 percent tax credit for the purchase of solar, photovoltaic and fuel cell properties for use in residences.
- Tax incentives to expand the production of energy from wind, refined coal, fuel cells, hydropower, geothermal and biomass sources.
- New clean energy bonds for the construction of renewable source electric facilities by governments, electricity cooperatives and tribes who can't use the tax incentives cited above because they are not taxed.
- Expanded tax credits for those who buy alternative fuel vehicles which includes an expansion of the range of the range of hybrid and clean vehicles that qualify for the alternative motor vehicle tax credit. Next to the renewable energy tax credit, this is the most generous tax credit in the bill. The value of the tax credit ranges from \$2,000 for smaller, personal cars to \$40,000 for the purchase of buses, etc.

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