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Senate Passes Energy Bill in Prelude to Talks With House

By [CARL HULSE](#)

WASHINGTON, June 28 - The Senate overwhelmingly passed broad energy legislation today, hoping its emphasis on both traditional and emerging sources of power could break a four-year Congressional stalemate over energy policy.

On an 85-to-12 vote, the Senate approved the measure, which includes \$18 billion in tax incentives for oil and gas production, wind and solar energy, energy-efficient appliances and hybrid cars. The measure includes another \$36 billion in energy-related projects, though many will require additional approval by Congress.

"All in all, I think this is an exciting and good bill," said Senator Pete V. Domenici, Republican of New Mexico, the chairman of the Energy and Natural Resources Committee.

But the adoption of the Senate measure sets up a difficult negotiation with the House, which has already passed its own measure that favors oil and gas production. It also includes a disputed plan to grant limited product-liability immunity to producers of the gasoline additive MTBE, which has been blamed in groundwater pollution around the nation. The White House also objects to the cost of the Senate bill as well as its plan to require utilities to use more renewable fuels in generating electricity.

"We still have many hurdles to overcome, as we have learned from previous Congresses," said Senator Jeff Bingaman of New Mexico, the senior Democrat on the panel, who worked closely with his state colleague in shaping the measure.

President Bush is pressing Congress to complete its bill this summer. Before the attacks of Sept. 11, 2001, which changed the focus of the administration, a new energy policy was at the top of President Bush's legislative list and it remains an administration priority, particularly with the rising cost of gasoline and natural gas. But fights over MTBE and the emphasis on additional oil and gas production have stalled the legislation for years.

Authors of the bill acknowledge that the new plan will do little in the near term to cut the cost to consumers of either gasoline or natural gas, though they say the push to develop new sources of fuel and to diversify the nation's fuel sources will eventually lower prices as well as reduce pollution from traditional fossil fuels.

Critics of the bill say it falls far short of what the nation can accomplish and does nothing to force changes in automotive mileage standards that could achieve the greatest immediate reductions in fuel demand. The bill does direct the president to find ways to reduce consumption by one million barrels of oil per day, but the Senate rejected a broader goal of reducing oil imports by 40 percent within 20 years. Senators also rejected efforts to put limits on emissions believed to contribute to global warming.

The Senate measure would require gasoline refineries to add at least eight billion gallons of biofuels, like corn-based ethanol, to the nation's gas supplies by 2012, a provision critical to gaining support for the measure from senators representing farm states. The bill drew some of its opposition from coastal state senators who oppose a plan to conduct an inventory of offshore oil and gas reserves, a proposal they see as a prelude to drilling in areas now off limits.

Both the House and Senate measures also include an array of proposals intended to strengthen the nation's power grid and prevent future blackouts. The Senate bill would also encourage growth in nuclear power, a favorite of Mr. Domenici's.

Appearing at a news conference with the Senate authors, Energy Secretary Samuel W. Bodman praised the bill and said the administration would play a role in trying to work out differences with the House. The chairman of the House Energy and Commerce Committee, Representative Joe L. Barton of Texas, also said he would try to achieve a deal.

"Obviously, the House and Senate bills have differences to work out and that is what conference committees are for," Mr. Barton said.