

*Washington Update:
Federal Energy Appropriations,
Legislation, and Outlook*

ASERTTI Annual Meeting October 26, 2007

FY'08 Energy Appropriations

- *Energy and Water will be included in an omnibus bill, substantial increases, CR remains a possibility*

2007 Energy Bill

- *House and Senate passed bills, informal conference process, new bills being introduced, outcome unclear*

Farm Bill

- *House and Senate Conference to begin in November or December*

Policy Outlook

- *Election year politics will likely delay major actions*

FY'08 Energy Appropriations

Major EERE Program Funding (millions)			
	President	House	Senate
Biomass	\$179	\$250	\$244
Hydrogen	213	194	228
Solar	148	200	180
Wind	40	57	57
Buildings	86	146	137
Industrial	45	57	57
Vehicles	176	235	230
Earmarks		104	91

FY'08 Energy Appropriations (*continued*)

Funding of Note – Directed by Congress, Beyond the President's Request

- \$34 million for concentrating solar power, increase of \$25 million
- \$93 million for hybrid electric systems, with \$3 million for competitive bid testing and evaluations “The committee is concerned that DOE is moving forward with a demonstration program for plug-in hybrid electric vehicles that will not be independently evaluated outside of car companies.”

- \$25 million increase in building energy codes with \$10 million for state compliance, encourages state training of builders

- \$11 million for Energy Star, an increase of \$5 million to target advanced technologies such as solar water heaters, PV, fuel cells. And “The Committee recommends work on early Energy Star rating and deployment of LED white lighting and encourages its use by FEMP.

- \$2 million for inventions and innovations, and \$2 million for data centers

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2007 Energy Bill

Many authorizations, but those that don't require funding are more certain to have an impact (e.g., RPS)

House Bill (H.R. 3221) – major provision

RPS: 2.75% in 2010 rising to 15% in 2020.

Senate Bill (H.R. 6) – major provisions

RFS: 8 billion in 2008 rising to 36 billion gallons, 15 billion conventional, 21 billion advanced biofuels.

CAFE: 35 mpg by 2020 (average fuel economy, by size, no car/truck distinction); requires 50% of vehicles sold in 2015 to be FFV, hybrid, advanced diesel, or other alt fuel.

Replacement Bills Emerging

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2007 Energy Bill (*continued*)

Tax Incentives

- Extends tax credit for EE home improvements, adds \$300 for gas fired heat pumps (Senate only);
- Extends EE commercial tax credit (both bills)
- Extends business investment tax credit for microturbines, solar equipment (both bills).

Appliance Standards

- New standards for clothes washers, dishwashers, residential boilers, certain electric motors, incandescent reflector lamps, walk-in coolers; requires power use in standby mode to be included in federal appliance standards

Farm Bill

•House Bill complete, Senate Committee mark complete, several important new energy programs, limited new funding, conference likely in December

Senate Bill

-\$227 million for dedicated biomass crop production incentive payments to farmers

\$270 million for Rural Energy for America Program (expanded RE/EE grants and loans with 15% of that amount for animal waste to energy)

-Continues modest mandatory funding for Biomass R&D act (\$75 million) and 9006

Policy and Appropriations Outlook for 2008

- *Climate hearings, low carbon fuel standard, cap and trade*
- *House Select Committee on Climate Change and Energy Independence*
- *Expected higher gasoline prices mean the energy debate will heat up again if a bill isn't passed (e.g., smaller bills)*
- *Election year politics mean we are unlikely to see major action*
- *Appropriations may be the “bright spot” with signs that Congress will continue expanding EERE's funding in FY'09*

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