

Energy Efficiency and Economic Recovery: Stimulus Funding Opportunities

Kateri Callahan, President
ASERTTI 2009 Conference
Clean Energy & Energy Efficiency Technology:
Policy and Market Outlook

February 2 – 4, 2009



ALLIANCE TO
SAVE ENERGY
Creating an Energy-Efficient World

Presentation Outline



- What is the Alliance to Save Energy?
- New Administration, New Energy Policy
- 2009 Outlook for Economic Recovery
- On the Horizon: Energy & Climate?
- The Road Ahead – Leadership from the Nation's Capitol

What is the Alliance to Save Energy?



Mission:

■ To promote energy efficiency worldwide to achieve a healthier economy, a cleaner environment, and greater energy security.

The Alliance is...

- Staffed by 50+ professionals
- 31 years of experience in policy, research, education, communications, technology deployment and market transformation



Alliance Directors: Bi-Partisan Elected Officials and Industry Leaders



- Guided by a 37-Member, elected Board of Directors
- Leaders of environmental, consumer, and trade associations; state and local policy makers; corporate executives



Senator Mark Pryor (D-Ark.)

Jim Rogers, CEO Duke Energy



Bi-partisan, bi-cameral Honorary Vice Chairs

Forging Alliances: Business, Government & Public Interests



- Sponsorship and participation of more than 150 organizations
- Involvement by businesses in all economic sectors
- Headquartered in Washington, D.C. with operations in several US states, Eastern Europe, South Africa, Mexico, and India



Brief Post-Mortem on 2008



- Energy Independence & Security Act (EISA), P. L. 110-140; most sweeping energy bill enacted in over 30 years
- Energy efficiency tax incentives were extended as part of the Troubled Assets Relief Program ("TARP") P.L. 110-343 -- October, 2008
- Energy legislation adopted by House; Senate "Gang of Twenty" energy package developed

President Obama: Energy Efficiency Advocate



- Reduce electricity use 15% by 2020
- Net-zero energy buildings by 2030
- Overhaul federal appliance standards
- By 2014, reduce energy use in new federal buildings 45%; 25% in existing federal buildings
- Flip incentives for utilities
- Invest in a “smart grid”
- Weatherize 1 million homes/year
- Investment incentives for “livable cities”



The Energy ‘A-Team’: Obama’s Cabinet Ministers



Carol Browner, Assist. to President for Energy and Climate Change (“Energy Coordinator”, “Energy Czar”)

EPA Administrator from 1993 to 2001



Lisa P. Jackson, Administrator, EPA

Chief of Staff to the Governor and Commissioner of the New Jersey Department of Environmental Protection (NJDEP).



Steven Chu, Secretary of Energy

Director of the Lawrence Berkeley National Laboratory
Recipient of 1997 Nobel Prize in Physics



Nancy Sutley, Leads White House Council on Environment Quality

Deputy Mayor for Energy and Environment for the city of Los Angeles, California

The Energy ‘A-Team’, continued



**Senator Hillary Clinton (NY),
U.S. Secretary of State**



General Jim Jones, National Security Advisor
Executive Director, Institute for 21st Century Energy, an
affiliate of U.S. Chamber of Commerce
4-star general in U.S. Marine Corps.



**John Holdren, Assistant to the President for Science
& Technology**
Dir. of the Science, Technology, & Public Policy Program at
Harvard's Belfer Center for Science and International
Affairs

“Making Good” on Promises: Early Action (Jan 08)



- Directs TD to establish higher fuel economy standards for vehicles by model year 2011
- Directs EPA to reconsider the bid by California and 13 other states to set tailpipe carbon dioxide emission standards requiring greater fuel economy.
- Confirms intent to
 - weatherize 2 million homes over the next two years;
 - make significant energy efficiency upgrades to 75 percent of federal buildings (savings of \$2 billion in avoided energy costs);
 - double the country's renewable energy resource base; and
 - create nearly 500,000 new “green jobs.”

“Making Good” on Promises Building of a Green Economy



- Commitment to large green energy component in the economic recovery bill
- Likely to combine support for RE and EE programs with tax credits & other incentives, plus substantial funding for green jobs
- Opportunity to train displaced workers for building codes enforcement; home energy raters; and related skills
- Strong commitment to climate legislation early in 2009



2009 Outlook for the Economic Recovery Bill



- Now looks like the stimulus bill on the order of \$825 billion will be ready mid-February;
- Emphasis on “shovel ready,” previously authorized programs; goal is to roll out the funding quickly in 2009;
- There is interest among some groups in trying to “get something back” in return for large block of funding going to the states.

Stimulus Package: A Look at the Numbers



Program	HOUSE	SENATE	OUR ASK
Alt. Transport Grants	400 million	350 million	
State Energy Program	3.4 billion	500 million	3.4 billion
EE/ Conservation Block Grants	3.5 billion	4.2 billion	4.2 billion
EE RD&D	2 billion	2.6 billion	65 M for IACs
Transportation Electrification Grants	200 million	200 million	
EE Home Retrofit Tax Incentives	30% up to \$1500 for 2009 & 2010	Same as House	

Stimulus Package: A Look at the Numbers



Program	HOUSE	SENATE	OUR ASK
Green Jobs	500 million	3.4 billion	
Federal Buildings	7.2 billion	11.5 billion	Leverage private sector financing comply with EISA
ENERGY STAR	Absent	Absent	100 million
EE building codes	Absent	Absent	100 million
Waste Energy Recovery Grant	500 million	No	500 mill
ENERGY STAR Rebate	300 million	No	300 mill

Economic Recovery Bill: So far so good...?????



- House passes its version of the Economic Recovery and Reinvestment Act 244 – 188
 - (12 Dems vote nay, **NO** Republicans vote yea);
- New amendments (additional \$3 billion in mass transit funding – total bill to \$819 billion);

Coming up...

- Senate leaders meet today
- Senate vote this week – anticipate disposition by Friday
- Deadline: bill on President's desk by Feb 13

2009 Outlook for the Omnibus Appropriations Bill



- CR expires on March 6th
- Omnibus is expected to be taken up immediately after the stimulus is enacted in mid-February
- Staffs have already negotiated Omnibus Appropriations bill for the balance of FY 2009
- Expectation is for ***significant increases in energy programs that will not be addressed in the economic recovery bill***
- Reflecting concern over large deficits and expenditures in the economic recovery bill, FY 2010 appropriations may look a lot like the FY 2009 bill

On the Horizon...



Early action on energy bill



- Best forecast -- Senate will take up an energy bill in the April/May time frame;
- Desire to add new authorizations that could be funded from auction proceeds from a climate bill considered in the fall;
- Senator Bingaman is ready to introduce a comprehensive energy bill and the "Gang of Twenty" is also expected to introduce a bill sometime in January
- Interest in RPS/EERS (Markey may introduce bills this week)

Alliance Recommendations:



- Advanced building energy codes: Set targets for national model building energy codes of 30% improvement in 2010 and 50% improvement in 2020
- Energy Efficiency Resource Standard: Require utilities to save energy equal to 10% of electricity sales and 7% of natural gas sales in 2020 through end-use, on-site or distributional efficiency programs
- Vehicle feebate: Provide car manufacturers a graduated tax incentive (rebate) for fuel-efficient vehicles, paid for by a graduated tax (fee) on gas guzzlers
- Promote complete streets: Direct states and localities to accommodate all users, including bicyclists, pedestrians, and transit users, when developing street projects.

What about a Climate Bill?



- Alliance, together with other organizations, is working to develop recommendations for the next climate bill
- We are looking at evaluation, measurement and verification; third-party programs; how much should be spent on R&D
- Objective is to develop a unified “ask” from the efficiency community by the end of this year, then start briefing Congressional staff
- Despite economic woes, expectation on the Hill is for consideration of a climate bill as early as the summer or fall of 2009.

The Future is Ours to Invent!



■ A Future of Promise:

- U.S. Becomes the Most Energy Efficient Economy in the World
- The U.S. Economy is Re-built on Development and Deployment of Clean Energy and Technologies
- Energy Efficiency is the “First Tool” in the Arsenal for Fighting Climate Change

Thank you!



For More Information....

Kateri Callahan
President
Alliance to Save Energy
1850 M Street, NW
Washington, D.C. 20036
kcallahan@ase.org
www.ase.org
202.857.0666