

Update on Federal Clean Energy Policy

8.11.16

Outline

- Clean energy tax credits
- Energy bill conference
- Fuel economy regulations for trucks and passenger vehicles
- Mission Innovation and appropriations
- Other executive branch actions



E.ON North America

Clean Energy Tax Credits

- Dec. 2015: 5-year extension and gradual phase-down of production tax credit (PTC) for wind and investment (ITC) and residential tax credits for solar
 - P.L. 114-113, Consolidated Tax and Spending Package
- Credits for other technologies expire at end of 2016

ITC
Solar
Fuel Cells
Small Wind
Geothermal
Microturbines
Combined Heat and Power

PTC
Wind
Closed-Loop Biomass
Open-Loop Biomass
Geothermal Energy
Landfill Gas
Municipal Solid Waste
Qualified Hydroelectric
Marine and Hydrokinetic

Evolving Path Forward on Tax Credits

- ITC extension bills:
 - H.R. 5167 (Reed): Sec. 48C & 25D
 - H.R. 5172 (Meehan): Sec. 48C
- Discussion of attaching tax extension to Federal Aviation Administration (FAA) bill—but “clean” bills passed in March & July
- Now pivoting to possible tax measures in lame duck (after elections)



2G CENERGY—Project Department

Energy Bill Conference

- Senate passed energy bill on 4/20 ([S. 2012: the Energy Policy Modernization Act of 2015](#))
- House passed on 5/25, replacing much of it with text of their own bill ([H.R. 8: the North American Energy Security and Infrastructure Act](#))

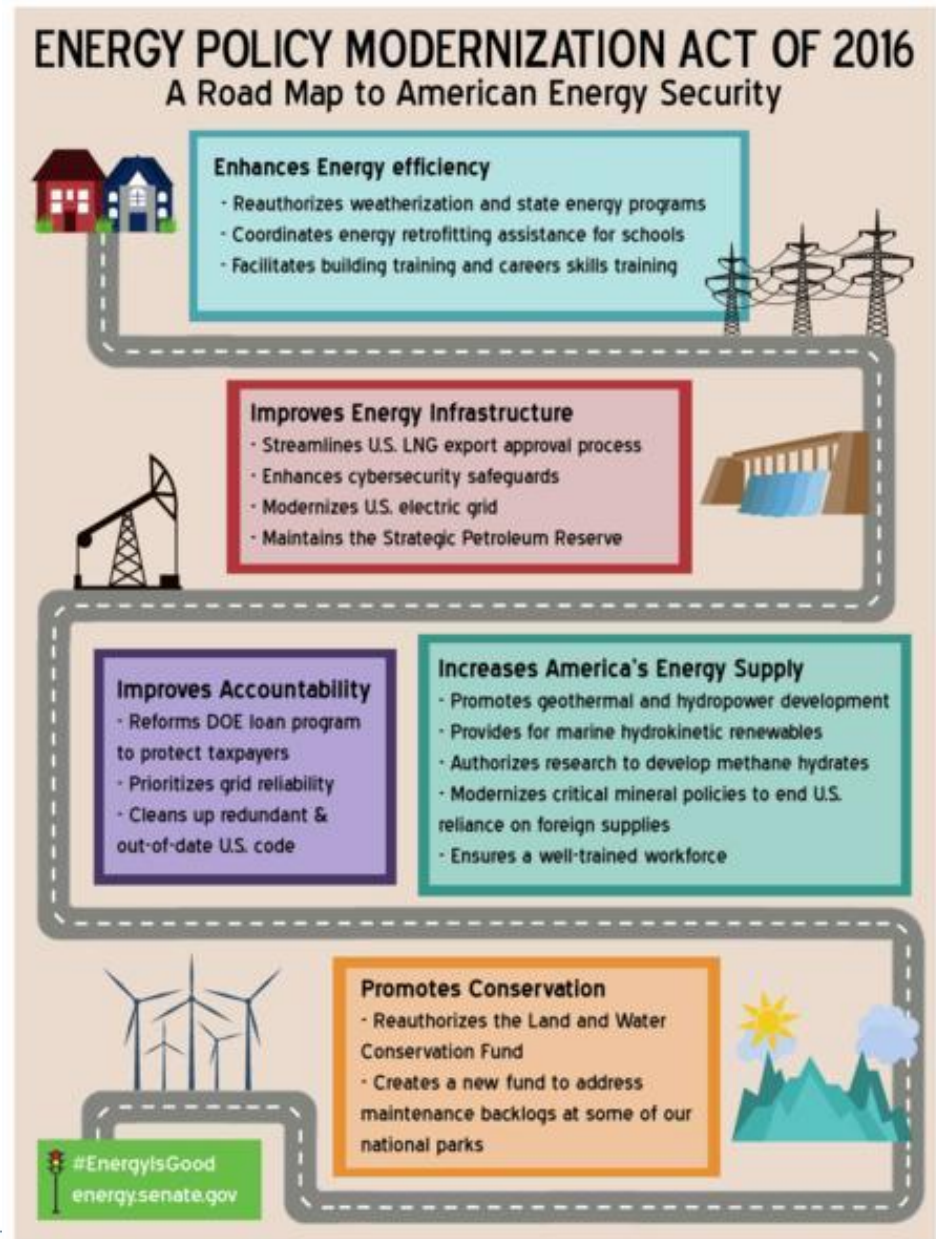


Energy Bill Provisions

Sticking points in conference include:

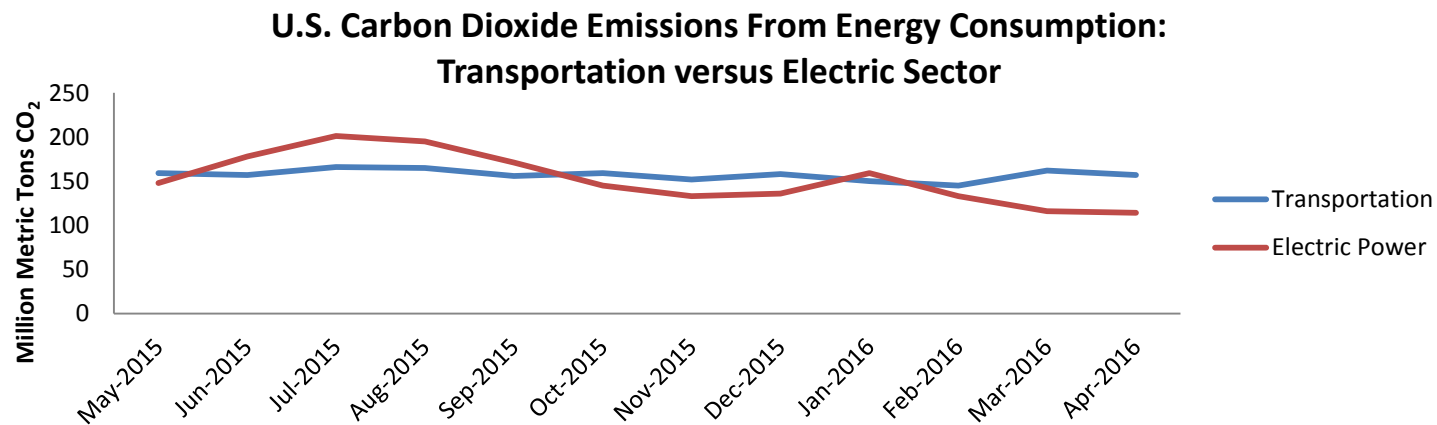
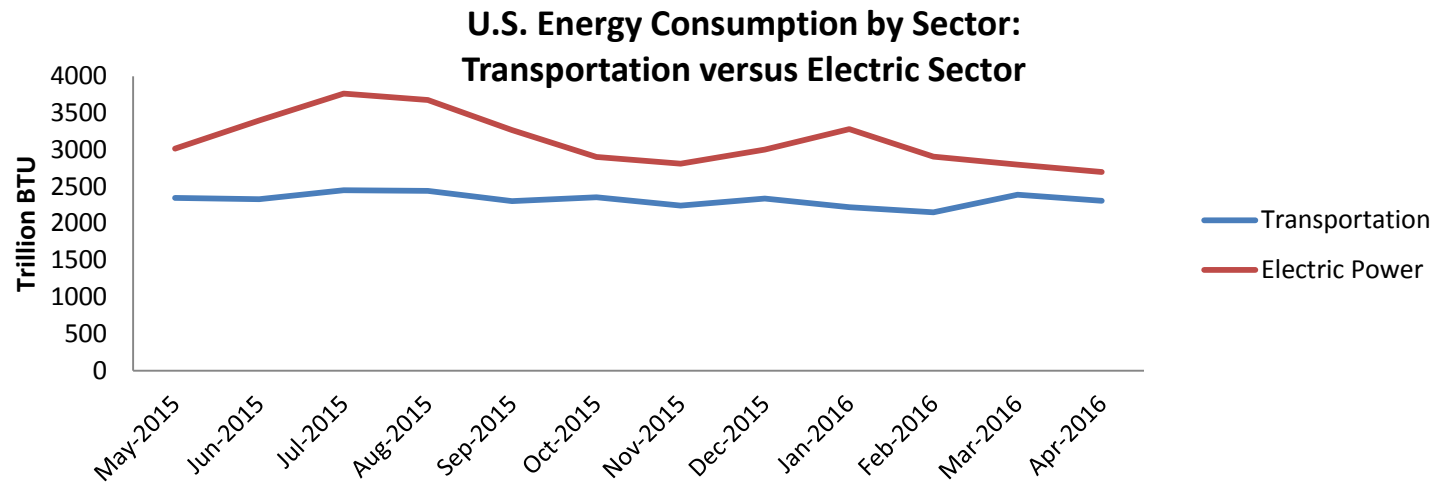
- Environmental Regulations
- Energy Efficiency
- Funding Levels

Senate Version:



[Senate Energy & Natural Resources Committee](#)

Transportation



Source: EIA July 2016 Monthly Energy Review

Medium- and Heavy-Duty Vehicles

- Variety of vehicles – delivery vans, tractor-trailers, garbage trucks, and buses
- Second largest and fastest growing segment of U.S. transportation
- Proposed rule benefits:
 - Reduce oil consumption by ~1.8 billion barrels
 - Cut fuel costs by ~\$170 billion
 - Save ~1 billion metric tons of carbon pollution
- Final second round fuel efficiency and carbon emissions rule expected soon



Light-Duty Vehicles



- Last CAFE/GHG standards set in 2012
 - Model Year (MY) 2017 – 2025 passenger cars and trucks
 - 163 grams CO₂/mile (~54.5 mpg)
- Mid-term Evaluation
 - Reviewing MY 2022-2025 standards
 - Draft Technical Assessment Report released July 2016
 - Industry on-pace towards compliance
 - Similar or lower than anticipated costs to industry
 - Final determination April 2018

Dept. of Energy Appropriations

DOE Office/Program	FY16 Enacted (Mission Innovation portion) in millions	FY17 Request (Mission Innovation portion) in millions	Senate E&W Appropriations Bill (S.2804) in millions	House E&W Appropriations Bill (H.R. 5055) in millions
Science	\$5,347 (\$1,577)	\$ 5,572 (\$1,853)	\$5,400	\$5,400
Energy Efficiency and Renewable Energy	\$2,073 (\$1,406)	\$2,898 (\$2,108)	\$2,073	\$1,825
ARPA-E	\$291 (\$291)	\$350 (\$350)	\$325	\$306
Office of Electricity	\$206 (\$153)	\$262 (\$177)	\$206	\$225
Nuclear Energy	\$986 (\$862)	\$994 (\$804)	\$1,057	\$1,011
Fossil Energy	\$632 (\$533)	\$600 ¹ (\$564)	\$632	\$645
Discretionary Total	\$29,603 (\$4,823)	\$30,240 (\$5,857)	\$30,741	\$29,962

Source: DOE FY17 Budget Request, S. 2804/H.R. 2028, Hr. 5055. Fossil Energy FY17 request includes carryover funds from FY16

- Senate Energy and Water Appropriations (E&W) bill passed
- House E&W bill failed because of late controversial amendments
- Funding for Mission Innovation activities still TBD

Other Executive Branch Actions

- [Federal agency clean energy procurement](#)
- [Smart Manufacturing Innovation Institute](#)
- National lab incubators: [Cyclotron Road](#) and [Chain Reaction Innovations](#)



Other Resources

- Clean energy tax credits:
 - [Slides from Pew webinar on Dec. 2015 tax deal](#)
 - [Text of P.L. 114-113, the law including tax deal](#)
 - [ACTION ALERT: Support PTC & ITC extension](#)
- Energy bill conference:
 - [Summary of S. 2012, Senate Energy Bill](#)
 - [Summary of House Amendment to S. 2012](#) and [H.R. 8 \(Original House Energy Bill\)](#)
 - White House's position on [House](#), [Senate](#) energy bills
 - [ACEEE Analysis](#) comparing efficiency provisions
 - [Alliance to Save Energy](#) on building efficiency codes

Other Resources

- Fuel Economy:
 - [Pew information on fuel economy regulations](#)
 - [ACTION ALERT: Support maintaining CAFE standards](#)
- Mission Innovation:
 - [Pew fact sheet explaining Mission Innovation](#)
 - [ACTION ALERT: Support energy innovation](#)
- Executive Branch Actions:
 - [Agency renewable energy & efficiency goals](#)
 - [National Network for Manufacturing Innovation](#)
 - [Cyclotron Road](#) (Lawrence Berkeley National Laboratory)
 - [Chain Reaction Innovations](#) (Argonne National Laboratory)

For More Information

- Visit [Clean Energy Business Network](#) site
 - Check out our [Government Policy](#) section for updates, policy 101, & action alerts
- Email [Lynn Abramson](#)

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