



# A NEW DIRECTION FOR ENERGY SECURITY

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## Energy Independence and Security Act

The New Direction Congress is poised to pass an ambitious legislative agenda to put us on a path toward energy independence—to strengthen national security, lower energy costs, grow our economy and create new jobs, and begin to reduce global warming. We are doing so by investing in the future of America with the passage of the Energy Independence and Security Act.

Specifically, Congress is taking groundbreaking steps to increase the efficiency of our vehicles, making an historic commitment to American grown biofuels, requiring that 15 percent of our electricity come from renewable sources, and strengthening energy efficiency for a wide range of products, appliances, lighting and buildings to reduce energy costs to consumers. The energy bill repeals tax breaks for profit-rich oil companies, and invests that money in clean renewable energy and new American technologies. Not only would this reduce our dependence on foreign oil, the measure would also save consumers billions of dollars.

This agreement with the Senate builds on the New Direction for Energy Independence, National Security, and Consumer Protection Act (H.R. 3221, and H.R. 2776) passed this summer, which includes wide-ranging solutions from 10 House committees. With passage of this measure, we will reduce carbon emissions that cause climate change and increase our energy independence. The House will move forward next year with the next major effort to reduce global warming.

### Strengthen our National Security by Reducing our Dependence on Foreign Oil

**Historic Fuel Economy Standards for Cars and Trucks, Supported by Environmentalists and the Automobile Industry.** The price at the pump demands groundbreaking and historic provisions to increase fuel economy standard to 35 miles per gallon by 2020 for new cars and trucks. These provisions will save American families \$700 to \$1000 per year at the pump, with \$22 billion in net consumer savings in 2020 alone. This is the first increase by Congress since 1975 – marking a significant advancement in our efforts to address our energy security and laying the groundwork for climate legislation next year. The bill ensures that fuel economy standard will be reached, while offering flexibility to automakers and ensuring that we keep American manufacturing jobs and continue domestic production of smaller vehicles. It will reduce oil consumption by 1.1 million gallons per day in 2020 (one-half of what we currently import from the Persian Gulf), and reduce greenhouse gases equal to taking 28 million of today's average cars and trucks off the road.

**Renewable Fuels Standard/Historic Commitment to Homegrown Biofuels.** The initiative includes a historic commitment to American biofuels that will fuel our cars and trucks – with a robust increase in the Renewable Fuels Standard. This will diversify our energy crops from coast to coast. Whether it is sweet sorghum in Texas, rice straw in California, or corn stover in Minnesota, we will create American jobs and protect the environment. The measure ensures that biodiesel and cellulosic sources, such as switchgrass, are a key part of the increase. It includes critical environmental safeguards to ensure that the growth of homegrown fuels helps to reduce carbon emissions and does not degrade water or air quality or harm our lands and public health. The plan includes incentives to boost the production of biofuels and the number of Flex Fuel and other alternative fuel vehicles.

**Incentives for Hybrids.** It establishes a plug-in hybrid/electric vehicle tax credit for individuals and encourages the domestic development and production of advanced technology vehicles and plug-in hybrid vehicles.

**Repealing Big Oil and Gas Giveaways to Invest in Renewable Energy.** The measure includes tax provisions totaling approximately \$21 billion – which includes the repeal of about \$13 billion in tax subsidies for Big Oil from the House energy bill. The bill closes a loophole written into the international tax bill (H.R. 4520) and rolls back the 2005 Energy Bill tax break for geological and geophysical expenditures. Other revenue raisers in the bill come from the President's budget and from bipartisan negotiations with the Senate.

## **Lower Energy Costs with Cleaner Energy, Greater Efficiency, and Smarter Technology**

**Historic Step -- Electricity from Clean Renewable Sources.** This provision, which was contained in the House-passed bill, requires utility companies to generate 15 percent of electricity from renewable sources -- such as wind power, biomass, wave, tidal, geothermal and solar -- by 2020. It permits utilities to meet up to 4 percent of their target through energy efficiency. A 15 percent Renewable Electricity Standard will reduce global warming emissions and lower energy prices and fossil fuel and natural gas consumption and is endorsed by a broad range of businesses, manufacturers, electric utilities, environmental, labor, farm, and faith-based organizations.

**Landmark Energy Efficiency to Bring Down Costs.** It includes landmark energy efficiency provisions that would save consumers and businesses hundreds of billions of dollars through 2030. It would require more energy efficient appliances, such as dishwashers, clothes washers, refrigerators and freezers, and would speed up Energy Department action on new efficiency standards after six years of delay. It would require improved commercial and federal building energy efficiency and assist consumers in improving the efficiency of their homes.

**Incentives for the Renewable Energy Economy.** It strengthens and extends existing renewable energy tax credits, including solar, wind, biomass, geothermal, hydro, landfill gas and trash combustion, while creating new incentives for the use and production of renewable energy. It bolsters research on solar, geothermal, and marine renewable energy. The bill provides new clean renewable energy bonds for electric cooperatives and public power providers to install facilities that generate electricity from renewable resources.

## **Create New Jobs and Reduce Global Warming**

**A Skilled Green Workforce.** This package creates an Energy Efficiency and Renewable Energy Worker Training Program to train a quality workforce for “green” collar jobs -- such as solar panel manufacturer and green building construction worker -- created by federal renewable energy and energy efficiency initiatives. Major investments in renewable energy could create 3 million green jobs over 10 years.

**Small Businesses Leading in Renewable Energy.** The bill increases loan limits to help small businesses develop energy efficient technologies and purchases; provides information to small businesses to reduce energy costs; and increases investment in small firms developing renewable energy solutions, recognizing the leadership of entrepreneurs in the alternative energy sector.

**Energy Efficiency Reduces Carbon Dioxide.** The landmark fuel efficiency standard, renewable electricity standard and energy efficiency provisions will not only save consumers and businesses money, but will also significantly reduce carbon dioxide emissions.

**Making Coal Part of the Solution.** This initiative takes aggressive steps on carbon capture and sequestration to come up with a cleaner way to use coal – authorizing a nationwide assessment of geological formations capable of sequestering carbon dioxide underground and expansive research and development, including large-volume sequestration tests in a variety of different geological formations. It includes incentives for clean coal, which for the first time ever include a requirement for carbon sequestration.