

AGC Looks at Climate Bill H.R. 2454: Title I Clean Energy

This first installment of AGC's summary of the American Clean Energy and Security Act of 2009 (H.R. 2454) explains the major provisions of Title I (Clean Energy). There are 10 subtitles described below.

Subtitle A-Combined Efficiency and Renewable Electricity Standard

This subtitle would require retail electric suppliers-defined as utilities that sell more than 4 million megawatt hours (MWh) of electricity to customers for purposes other than resale-to meet a certain percentage of their load with electricity generated from renewable resources (e.g., wind, biomass, solar, geothermal, hydropower, nuclear) and electricity savings. The combined renewable electricity and electricity savings requirement would begin at 6 percent in 2012 and gradually rise to 20 percent in 2020. Up to one quarter of the 20 percent requirement automatically could be met with electricity savings.

Retail electric suppliers would be required to submit federal renewable electricity credits and electricity savings each year equal to the combined target for that year times the supplier's retail sales. One renewable electricity credit would be given for each MWh of electricity produced from a renewable resource. Retail electric suppliers would be able to submit, in lieu of a renewable electricity credits and demonstrated electricity savings, an alternative compliance payment equal to \$25 per credit (2.5 cents per kilowatt hour).

Subtitle B-Carbon Capture and Sequestration

This subtitle is designed to address the key legal and regulatory barriers to the commercial-scaled deployment of carbon capture and sequestration (CCS). The subtitle would establish a Carbon Capture and Sequestration Demonstration and Early Deployment Program and would authorize fossil-based electricity distribution utilities to hold a referendum on whether to establish a Carbon Storage Research Corporation, which, if approved, would be authorized to collect assessments totaling approximately \$1 billion annually from retail customers of fossil-based electricity. The funds would be used by the Corporation to fund the large-scale demonstration of CCS technologies in order to accelerate the commercial availability of the technologies. The subtitle would also authorize an incentive program that allows the U.S. Environmental Protection Agency (EPA) to distribute allowances to support the commercial deployment of CCS in both electric power generation and industrial applications.

Subtitle C-Clean Transportation

This subtitle would support the deployment of plug-in electric vehicle infrastructure and large-scale vehicle electrification. There is also a provision that would allow the Energy Department to provide financial assistance for retooling existing factories for the manufacture of electric vehicles and batteries. EPA would also be allowed to distribute allowances for these purposes. This subtitle would also extend the authorization for state grants under the Diesel Emissions Reduction Act (DERA) through 2016.

Subtitle D-State Energy and Environment Development Accounts

This subtitle would create State Energy and Environment Development (SEED) Accounts for each state. The accounts would serve as a state-level repository for managing and accounting for all emission allowances designated primarily for renewable energy and energy efficiency purposes, including funding to retrofit existing buildings; implementation of the provisions relating to building energy codes; and incentives for retooling, expansion or creation of manufacturing facilities that produce renewable energy.

Subtitle E-Smart Grid Advancement

This subtitle is designed to support the advancement of the Smart Grid. A Smart Grid delivers electricity from suppliers to consumers using digital technology to save energy, reduce cost and increase reliability and transparency. The subtitle contains a number of provisions that would: identify Smart Grid benefits and capabilities for consumer products and appliances; increase public information on Smart Grid technologies, practices, and benefits; and expand the energy efficient appliance rebate program to include rebates for efficient appliances with Smart Grid features and capabilities. There would also be a requirement for a national program for load-serving electric utilities to reduce peak electric demand.

Subtitle F-Transmission Planning

This subtitle would establish a federal policy on electric grid planning that recognizes the need for new transmission capacity to deploy renewable energy as well as the potential for more efficient operation of the current grid through new technology, demand-side management and storage capacity. Existing regional transmission planning processes would incorporate this federal policy to facilitate transmission planning and siting decision-making to meet these new demands.

Subtitle G-Technical Corrections to Energy Laws

This subtitle would make technical corrections to existing energy laws.

Subtitle H-Energy and Efficiency Centers and Research

This subtitle would direct funding to higher education institutions for Building Assessment Centers to promote opportunities for building efficiency, including research and training, and promotion of "high-efficiency building construction techniques and materials options." There would also be a program to create and support Energy Innovation Hubs to promote commercial application of clean energy technologies, as well as an initiative that would establish not more than 10 regional Centers for Energy and Environmental Knowledge and Outreach.

Subtitle I-Nuclear and Advanced Technologies

This subtitle would promote the domestic deployment of clean energy technologies through the establishment of a self-sustaining Clean Energy Deployment Administration (CEDA). The CEDA would develop a methodology for assessing clean energy technologies and encouraging their commercial scale deployment and advise on approaches for meeting energy technology deployment goals. The CEDA would have broad authority to provide direct and indirect support for clean energy technologies, including through the provision of loans, loan guarantees and letters of credit through a Clean Energy Investment Fund.

Subtitle J-Miscellaneous

The final subtitle of Title I includes miscellaneous provisions. Among them are provisions that would establish a Clean Technology Business Competition Grant Program, a National Bioenergy Partnership, an Office of Consumer Advocacy and a Development Corporation for Renewable Power Borrowing Authority.

What Can Members Do?

- Read the "AGC Looks at Climate Bill H.R. 2454" series.
- Take action and write your Senator using the **AGC Legislative Action Center** (AGC, its Chapters and members sent over 2,000 letters to Capitol Hill in response to H.R. 2454).
- Explore the potential for the real estate and construction industries in climate legislation. This is an [evolving discussion draft document](#) resulting from AGC's meetings and discussions with representatives of the real estate and construction industries and other related groups.
- Go to www.congress.gov and search under "H.R. 2454" to read the bill.
- Read information about **greenhouse gas emissions associated with the construction industry**.
- Learn **low-cost ways contractors can reduce greenhouse gas emissions** from equipment.

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