



## **POLICY BRIEF: Clean Energy Priorities**

Strong clean energy policies will create jobs, reduce pollution, and help make the U.S. a leader in the global clean energy economy. To realize these benefits, however, it is essential that policies designed to support clean energy development are not compromised or weakened by also providing additional and undue support for dirty energy technologies like fossil fuels and nuclear power. A strong package of clean energy policies would include the following:

### **Renewable Electricity Standard (RES)**

A strong RES that required utilities to generate 25% of their electricity from renewable energy would create hundreds of thousands of jobs and is essential to creating a strong U.S. renewable energy manufacturing industry. Unfortunately, the current RES proposal in the Senate from the Energy & Natural Resources committee bill (ACELA, S. 1462), would require very little renewable energy development beyond the status quo. In addition to seeking to strengthen the Senate RES proposal, we need to defend against attempts to weaken it further by adding non-renewable energy technologies to the standard. Senators Graham and Lugar have both floated proposals called “clean energy standards” to add nuclear power, coal with carbon capture and storage, and coal-to-natural gas fuel switching to the RES. While the targets they propose are higher than the Energy Committee RES, diluting the standard with non-renewable technologies will set a damaging precedent for states RES policies and undermine the effectiveness of the national RES in driving renewable energy development.

### **Home Star & Building Star**

These programs would provide rebates for energy efficiency retrofits of homes and commercial buildings, respectively. By providing consumers and businesses with incentives to cut energy waste in their homes and buildings, these programs aim to support the expansion of a robust energy retrofit industry that would provide new, high quality jobs in communities across America. Construction jobs cannot be outsourced and the products used in building retrofits such as insulation and windows are largely manufactured in the U.S. According to the American Council for an Energy Efficient Economy (ACEEE), providing \$6 billion each for the Home Star and Building Star programs would create up to 256,000 jobs in 2010 and another 93,000 jobs in 2011. Home Star legislation has passed in the House and been introduced in the Senate by Senators Bingaman, Warner, and Graham (S. 3177). Building Star legislation has been introduced in the Senate by Senators Merkley and Pryor (S. 3079).

## **Energy Efficiency: Building Codes, Appliance Standards, and EERS**

The Senate Energy & Natural Resources committee bill as well as the House climate bill (ACES) contain a number of policies that will save energy and cut pollution including stronger building codes, new and improved standards for appliance efficiency, and support for industrial efficiency. The House bill also includes an ambitious program to retrofit existing homes and commercial buildings that would serve as a continuation of the short-term Home Star and Building Star programs. It is critical that these programs are enacted and receive funding in order to maximize the effectiveness of energy efficiency to reduce emissions and save consumers and businesses money.

In addition, we continue to advocate for an energy efficiency resource standard (EERS) but it is not included in the Senate Energy Committee bill. Currently, utilities are allowed to use energy efficiency to comply with a portion of their renewable energy obligations under the RES. In increasing the RES targets we also intend to increase the amount of energy efficiency encouraged by the standard.

## **Clean Energy Development Agency (CEDA)**

The Senate energy bill (S.949) and the House climate bill (HR2454) make changes to the Title XVII Loan Guarantee Program currently operated by the Department of Energy and establish a new Clean Energy Deployment Administration (CEDA) to “promote access to affordable financing for accelerated and widespread deployment” of clean energy, energy infrastructure, energy efficiency, and manufacturing technologies. However, a variety of coal projects and nuclear energy projects are eligible under the definition of “clean energy technologies” in both versions. The House version is stronger for several reasons. The Senate version includes unlimited loan guarantee authority, but the House version requires advance Congressional budget authority before funds can be committed. The House version requires a greenhouse gas standard, as CEDA must give highest priority to investments that will achieve the maximum greenhouse gas emission reductions. The Senate version does not contain this provision, and further defines “clean energy technologies” as those technologies that will reduce the need for additional energy supplies through efficiency, diversify the sources of U.S. energy supply, OR contribute to stabilization of greenhouse gases. Finally, the House version also includes an important provision that prohibits one technology from getting more than 30% of the financial support available. The Senate version does not contain this limit.