

**MWCOG Climate Change Steering Committee
Policy Subgroup
July 18, 2007, rev. Sept. 25
Federal Energy/Climate Change Legislation – Discussion Draft**

Energy Policy	House Bill – passed (8/4/07) H.R. 3221,	Senate Bill (passed 6/21/07) H.R. 6 http://energy.senate.gov/public_files/HR6BillText.pdf	Comments/ Recommendations
Fuel Economy Standards CAFE	No CAFÉ proposal.	Average fleet fuel economy standards for cars, SUVs, and light trucks sold in the U.S. are required to meet a 35 mpg, hwy/cty, by 2020. For the first time, DOT will set fuel economy standards for medium and heavy-duty trucks (following a study).	Support stricter CAFÉ standards, which would help the region reduce GhG emissions. Senate proposal is a minimum. According to COG, the Senate proposal would reduce the growth in CO2 emissions from motor vehicles in the region from an estimated 48% growth rate in a business-as-usual scenario, to a 16% increase from 2002 to 2030. Markey/Platts proposal included a provision to meet 35-mpg standard by 2018, and ratchet up fuel economy by 4% per year in subsequent years.
Renewable Portfolio Standard	Amendment to require 15% of retail electricity to be generated from renewable resources by 2020. Up to 4 percent of RPS may be met via energy efficiency measures. Renewable energy is defined as solar, wind, ocean, tidal, geothermal, biomass, landfill gas, or incremental hydropower.	Not included	Support Federal RPS. A Federal RPS would expand the growth of renewable energy, nationwide, and help states/localities in this region meet their own renewable energy-generating goals. MD currently requires 7.5% of eligible electricity sold in the state be from renewables by 2019 and DC requires 11% by 2022. VA has a voluntary goal of 12% by 2022. MD considering raising its standard. To note: both DC and MD aim to phase out hydropower in definition of renewables – while federal includes incremental hydropower.
Energy Efficiency Block Grants	Financial assistance to cities over 50,000, counties over 200,000 and states (daytime population	Similar though some smaller units of government are eligible. Adds a provision that cities over 35,000 <u>OR</u>	Support block grants, which are very advantageous to city and county government. Consider including

	<p>considered) according to a formula, for energy efficiency programs including:</p> <ul style="list-style-type: none"> • Technical consulting services • Goal setting and measurement • Outreach/education • Energy audits and weatherization • Financial incentives and grants to nonprofits and gov. agencies • Building codes and inspections • Alternative energy technologies • Zoning changes, land-use changes, bike and pedestrian infrastructure • Creation of government energy efficiency offices <p><u>\$10 billion over 5 years distributed by DOE.</u> 70% of funds allocated to eligible units of local governments and 30% of funds to be allocated to states.</p> <p><i>Ineligible Units of Local Government- 70% of state funds received must be used to provide subgrants to units of local government</i> in the state that are not 'eligible' units of local government. Grants allocated according to a formula giving equal weight to population according to the most recent census data. Regions not eligible, but "...an eligible unit of local gov. shall take into account any plans for the use of funds by adjoining units of local gov."</p>	<p><u>the 10 most populated cities in the state are eligible, and counties over 200,000 OR the 10 most populated counties in the state.</u> Includes some additional items removed in House version due to concerns about not being germane.</p> <p>68% of appropriated money goes to local governments (compared to 70% in House version), 28% to states (as opposed to 30%), and 4% to Indian Tribes. Of the 28% that goes to states, at least 1.25% (of the 28%) will be distributed to each state. If there is remaining money, it will be given out based primarily upon a population formula.</p> <p><i>Ineligible Units of Local Government</i> - <u>At least 40% of the money distributed to the states must be used for eligible activities in nonentitlement areas.</u> States must meet certain criteria established by DOE to receive such funds. Separate from the state money, 2% is given for direct grants to local governments (and states and Indian Tribes) that are not eligible entities and consortia of such local governments. Communities would directly apply to the Secretary of Energy for these competitive grants. Priority would be given to communities who are in states with populations of less than 2,000,000 AND for "projects that would result in significant energy efficiency improvements, reductions in fossil fuel use, or capital improvements."</p>	<p>preference for proposal which is most inclusive of support for smaller units of local governments (e.g. Senate or hybrid proposal)– and support for consortia of local governments.</p> <p>The Senate provision is more inclusive of smaller units of government, and may be more advantageous to this region. The House, on the other hand, has more specific language stating that 70% of the money allocated to states must be used to provide subgrants to units of local governments that are not eligible for direct grants. The Senate version states that 40% of the amount distributed to states should be used for eligible activities in nonentitlement areas – in accordance with criteria established by the Secretary, but does not specifically state requirement for distribution to local governments.</p> <p><u>Regional bodies are not eligible for direct receipt of funds. However, the Senate version does mention that 2% of funds, are available in competitive grants to noneligible local governments, or consortia of local governments. We could state a preference that this consortia idea be expanded to apply to consortia such as ours where some governments are eligible, and some are not.</u></p> <p>Local governments could choose to contract out regional body for relevant services.</p>
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Refueling Infrastructure	Similar	Grants to retailers, wholesales and local governments -- on behalf of retailers or regional or multistate entities – to improve refueling infrastructure for ethanol and biodiesel.	
Lighting	Prohibition to sell inefficient light bulbs after 1/1/2012. Included	-- Included	
Smart Grid	Similar	Modernize electricity grid through better communication technologies.	
Energy Efficiency Improvement Goal	One goal is for federal government is to be “carbon neutral” by 2050; bill does not specify how the government is to achieve this.	Goal to reduce oil consumption 35% (9.4 million barrels/day) by 2030.	
Buildings	<ul style="list-style-type: none"> • Requirement to update national model energy code for residential and commercial buildings every three years and states must certify they have updated their provisions, no later than two years after the date of enactment of the Energy Efficiency Improvement Act of 2007. • Establishment of federal Office of High-Performance Green Buildings to guide federal green building efforts (toward silver rating) and Federal green building advisory committee, including local representation • Zero Energy commercial building initiative 	<ul style="list-style-type: none"> • Energy Efficient Commercial Building Initiative – for 50% of building stock to be EE by 2030. 	
Tax Package for Renewables	\$15.3 billion tax package approved.	Failed [will be reintroduced]	

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