

*A legacy of regional cooperation, a commitment to a vibrant future*

TO: COG Climate Change Steering Committee  
FROM: Naomi Friedman, COG Assistant Executive Director  
RE: Federal Energy/Climate Policy  
DATE: September 24, 2007

*District of Columbia*

*Bladensburg\**

*Bowie*

*College Park*

*Frederick*

*Frederick County*

*Gaithersburg*

*Greenbelt*

*Montgomery County*

*Prince George's County*

*Rockville*

*Takoma Park*

*Alexandria*

*Arlington County*

*Fairfax*

*Fairfax County*

*Falls Church*

*Loudoun County*

*Manassas*

*Manassas Park*

*Prince William County*

*\*Adjunct member*

### **Background**

At its June Meeting, the Climate Change Steering Committee established a Policy Group to evaluate federal energy and climate legislation and to formulate policy recommendations to advance to the full Committee and COG Board. The Policy Group, consisting of Roger Berliner, Dave Snyder, Tad Aburn, and Harriet Tregoning (represented by Zach Dobelbower), met in July and recommended that COG staff continue to monitor the federal energy bill, and work with the Policy Group to advance specific advocacy positions supportive of COG's energy and climate change agenda, for further discussion at the September Steering Committee Meeting.

### **Current Status**

In June and August, respectively, the U.S. Senate and U.S. House passed energy bills – which include some helpful provisions for advancing greenhouse gas reduction and clean energy policies in the region. The bills, however, include some different provisions. The Senate Bill, for instance, includes a provision to increase Corporate Average Fuel Economy (CAFÉ) standards; the House Bill includes a Renewable Portfolio Standard – for renewable energy generation by electric utilities.

It is believed the House and Senate may take up the task of reconciling these bills as early as mid-October. In advance of this task, a Conference Committee will be established by House and Senate leadership.

### **Recommendations**

Due to the above expected timeline, it would be useful for COG to advance its advocacy positions to the region's Congressional Delegation, Chairs of the respective energy committees, and members of the Conference Committee, once they are appointed, by late September/early October.

While there are several useful provisions in the House and Senate bills, there are three provisions in the energy bill that are particularly relevant to COG's climate change reduction/energy agenda and appropriate for COG to support. These are:

- CAFÉ Provisions
- Energy Efficiency Block Grants
- Federal Renewable Portfolio Standards

### ***CAFÉ Standards***

Fuel Economy Standards have not been strengthened in this country for over two decades. As expressed by COG's Transportation Policy Board, stricter CAFÉ standards play an important role in helping the region reduce the growth in greenhouse gases. According to the TPB's estimate, the Senate CAFÉ provision would reduce the growth in CO2 emissions from motor vehicles in the region during the period 2002 to 2030, from an estimated 48% in a business-as-usual scenario, to a 16% growth rate. *It is advantageous to the region for COG to support the Senate CAFÉ provisions.*

### ***Energy Efficiency Block Grants***

The Energy Efficiency Block Grants are a new source of funds (requested at \$10 billion over 5 years) for local governments to cover an array of tasks related to energy efficiency and greenhouse gas reduction. These grants are supported by the U.S. Conference of Mayors, the National Association of Counties, and other groups working with local governments. (The attached table describes the types of activities the grants cover.) *It is advantages to local governments in the region for COG to support these grants, which appear in both the Senate and House bills.*

The Senate and House versions differ in population thresholds for receiving such funds. The Senate version has a lower threshold, allowing cities of 35,000 to directly receive funds (rather than 50,000 and above), and also includes a provision enabling the 10 largest counties in a state to receive funds, in lieu of those over 200,000. The Senate version would be more advantageous to smaller governments, including College Park and Arlington County – which hover around, or are below, the population threshold, but are one of the 10 most populous cities or counties in their states. Manassas, which is below the 50,000 threshold, but above the 35,000, is not one of the 10 most populous cities. (See population figures.) *Our support for this provision could include a preference for lower population thresholds, and we could also build on the consortia provision mentioned in the Senate bill, stating a preference for increasing the eligibility for competitive grants for consortium composed of both eligible and noneligible local governments.*

### ***Renewable Portfolio Standards***

*Members of the Policy Group thought a Federal RPS provision would develop the national renewable energy market, making it easier for member governments to meet their own renewable energy generating goals.* The House Energy Bill calls for a 15% RPS by 2020. Both DC and MD have RPSs, and VA has a voluntary goal. (See attached Legislative Table for more information.)

### **Conclusion**

While there are several provisions within the Energy Bill supportive of COG's clean energy/climate change agenda, the three above provisions are particularly useful. Additionally, two of these three provisions are contained in only one version of the bill, and are thus in great jeopardy of not being included in final energy legislation. *It is recommended that COG's Climate Change Steering Committee advance recommendations to the COG Board to write a letter in support of the overall goals of the Energy Bill, and the above three provisions, to our Congressional delegation, Energy Committee Chairs, and members of the Conference Committee, as soon as possible.* COG's TPB will likely send a second letter to Congress in support of CAFÉ provisions, in the near future.