

## Chapter 6 – Congress Wants to Know

### Major Legislation Enacted Prior to Consideration of NES

#### 1990 – Coastal Zone Management Act Reauthorized

- “expanded the authority of states to intervene in OCS leasing procedures on grounds of protection of the coastal environment.”
- “broadened the areas that states could include in their coastal zones management programs.”
- “established fees to recover the cost of state appeals to federal coastal zone management decisions.” (Stagliano, pg. 354)

#### 1990 - Omnibus Budget Reconciliation Act (OBRA)

- “increased motor fuels tax by \$.05 per gallon.”
- “imposed a new \$.025 per gallon tax of fuels used in rail transportation.”
- “reduced the federal ethanol subsidy from \$.60 per gallon to \$.54 per gallon.”
- “doubled the ‘gas guzzler’ tax.”
- “extended the tax subsidy for non-conventional fuels for two years.”
- “adopted a 15% tax credit for enhanced oil recovery.”
- “increased the percentage depletion allowance on marginal production of oil and gas.”
- “extended the business tax credit for solar and geothermal properties.” (Stagliano, pp. 354-355)

#### 1990 – Amendments to the Clean Air Act of 1970

##### Also enacted were bills to:

- “extend federal financial support for state energy conservation programs.”
- “authorize an increase in the size of the NPR to one billion barrels.”
- “expand the DOE program of research and development of hydrogen fuels.”
- “increases financial liability for oil spills on land and water.”
- “require double hulls on ocean going oil tankers.” (Stagliano, pg. 355)

### Competing Versions of the NES

#### SENATE – National Energy Security Act (NESA) of 1991 (Johnston-Wallop)

##### *Background*

- Submitted by SENR leaders Johnston and Wallop.
- Incorporated nearly all of the proposals recommended by NES.
- “Belief in an energy world shaped by political rather than economic forces.” (Stagliano, pg. 389)
- Belief that certain fuels and technologies worthy of government support.
- Disavows the Troika’s faith in markets.
- The political challenge – attract enough votes from the left and right to offset the loss of support from Senators who would find some provisions unacceptable under any circumstances AND limit provisions likely to result in a presidential veto.

<i>Controversial Provision</i>	<i>Tradeoffs</i>
Access to oil and gas reserves in ANWR.	Appoint director of climate protection to DOE.
	Increase CAFE standards for cars and light trucks (after 1995).

##### *Auto Efficiency*

- Increase gas guzzler tax.
- Mandates to introduce alternative fuels into public and private vehicle fleets.
- R&D investment in hybrid and electric vehicles.

- Tax incentives for producers, operators, and consumers of alternative fuel vehicles.

#### **Renewable Energy**

- Federally subsidized loans to develop electricity generation plants using wind/solar/biomass.
- R&D investments to reduce costs of renewable technologies.
- Streamlines licensing process for hydropower.

#### **Energy Efficiency**

- Financial incentives for states to adopt "model federal building standards."
- Efficiency ratings for lighting, heating, cooling equipment (but not standards).
- Voluntary efficiency standards for industry.
- Requires energy efficiency investments and target dates for federal buildings.

#### **Nuclear Energy**

- Limited 3<sup>rd</sup> party intervention in licensing proceedings.
- Calls for US uranium enrichment enterprise.
- No new initiatives on nuclear waste management.

#### **Natural Gas**

- FERC given authority to streamline permitting procedures in pipeline construction.
- Establish new rate structures for interstate transport of gas.
- Limits FERC's authority to influence state regulation of gas companies.

#### **OCS Development Leasing**

- Created new federal fund, through Dept. of Int. royalty income, to assist coastal states.
- Calls for report to President on availability of OCS for leasing, development, and production.

#### **Electric Power**

- Allows access to grid by independent power producers – promote competition.

#### **Pass the Pork**

- Funds for research on oil shale, tar sands, natural gas, coal, etc. – proven to be not economically viable.

### **HOUSE – Comprehensive National Energy Policy Act (CONEPA) of 1991 (Sharp)**

#### **Background**

- Generally compatible with Johnston-Wallop.
- Intent to reduce vulnerability to oil price shocks through reducing demand.
- Develop alternatives to imported oil.
- Fill the SPR and make it more accessible.
- Exposes "hidden energy costs" - assign to beneficiaries rather than taxpayers.
- Proactively incorporates environmental considerations, rather than clean up after the fact.

#### **Disparities from NESÄ**

- Neither CAFÉ standards nor ANWR addressed in the bill.
- Called for new efficiency standards for lighting, showerheads, electric motors, and heating/cooling equipment in commercial buildings.
- Calls for means to "prevent State of Nevada from procedurally blocking site characterization work" at Yucca Mountain. (Stagliano, pg. 395)
- Expansion of the SPR to one billion barrels to be financed by oil refiners and importers.
- Rejects proposal to streamline hydropower licensing, gives increased authority to fisheries service to collect costs of regulation from licensees and prescribe fishways.

#### **THE COMPROMISE– The Energy Policy Act (EPAAct)**

- Maintains provision to override state of Nevada obstruction to Yucca Mountain.
- Rejects the SPR tax on importers and refineries.
- Upholds moratorium on leasing and development of OCS.
- Barred construction of hydropower dams in national parks and gave Dept. of Int. veto power over FERC in relicensing.

Drops ANWR and CAFÉ provisions.

Major Players:

- Senate (Senators: Johnston, Wallop, Sharp)
- House of Representatives
- various committees: appropriations, Senate Energy & Natural Resources Committee and the House Committee on Energy and Commerce.
- Bush administration
- General Accounting Office
- Department of Energy
- Energy Secretary Watkins
- Chairman Sharp of the Subcommittee on Energy and Power

Major Factions:

Bush administration	Pro-alternative Energy Supporters
National Energy Strategy	General Accounting Office
Department of Energy ?	Liberal leadership ?