

Michaud Supports House Energy Bill That Expands Domestic Drilling and Invests in Renewable Energy

Tuesday, September 16 2008

WASHINGTON, DC

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"The high price of fuel is affecting all of us," said Michaud. "Mainers are hurting, small businesses are having a hard time staying afloat, and many are looking towards this winter with worry. This summer I called for a bipartisan compromise on an energy bill that meets today's challenges and puts us on a good footing for the future. I believe that this bill strikes a balance between expanded drilling and investment in renewables that are needed to reduce our dependence on foreign sources of oil and lower prices for consumers."

Michaud commended provisions of the bill which support the further development of renewable sources of power that will create continued investment in Maine, including wind, biomass, and marine renewable power. Michaud was also pleased that a provision was included that could lead to additional funding for the Low Income Home Energy Assistance Program (LIHEAP), through the creation a Strategic Energy Efficiency and Renewables Reserve. While this is welcome news, Michaud continues to push for fully funding our LIHEAP needs for this winter.

Another provision included in the bill would help lower costs immediately. H.R. 6899 would temporarily release nearly 10 percent of the oil from the government's stockpile (known as the Strategic Petroleum Reserve), and replaces it later with heavier, cheaper crude oil. Past releases have brought down prices by up to 33 percent.

While supporting the overall bill, Michaud voted against the rule which governed debate on the bill. The rule failed to make in order an amendment Michaud offered that would have established a task force to help identify programs that could help manufacturers take actions to lower their energy costs. The task force created in Michaud's amendment would also look to the future, recommending new ways to help the paper industry

adjust to the increased price of fuel. He intends to introduce the language as a bill and push for its passage.

In addition to his amendment, Michaud has been advocating for an exemption to federal truck weight limits for the remainder of Maine's Interstate Highway System.

"The bill that the House passed today is comprehensive in nature and is a huge step forward," said Michaud. "I did, however, think that there were things that could have been added to it that would directly help our economy in the State of Maine at little or no cost. I will continue to look for ways that we can help our industries compete and create jobs in this ever changing economic environment."

A full fact sheet detailing the contents of the bill can be found below.

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Comprehensive American Energy Security & Consumer Protection Act (H.R. 6899)

Lowers Costs to Consumers & Protects Taxpayers

Royalty Reform: Ensures that oil companies pay their fair share of royalties on flawed leases granted in 1998 and 1999. Oil companies holding 70 percent of these leases issued in the Gulf of Mexico from 1998 and 1999 pay no royalties on this oil, costing American taxpayers about \$15 billion.

Repeal of Tax Subsidies. Repeals a giveaway in the 2004 international tax bill (H.R. 4520) for the Big Five oil companies. (Small, independent oil and gas companies would continue to benefit from the deduction at the current rate.) It also closes a foreign tax loophole for large oil companies. These will pay for critical investment in American renewable energy.

Releasing Oil from the Strategic Petroleum Reserve.

Temporarily releases nearly 10 percent of the oil from the government's stockpile (known as the Strategic Petroleum Reserve (SPR)). Past releases have brought down prices by up to 33 percent.

Mineral Management Service Ethics Reform. Takes aggressive steps to crack down on the extreme misconduct at the Mineral Management Service - the agency charged with collecting royalties from oil and gas companies.

Renewable Energy Future,
Creating American Jobs

Renewable Energy and Efficiency Tax Incentives. Extends and expands tax incentives for renewable energy, including incentives for plug-in vehicles, and retains and creates hundreds of thousands of American jobs. It expands and extends tax incentives for renewable electricity, energy (such solar and wind) and fuel from America's heartland, as well as for plug-in hybrid cars, and energy efficient homes, buildings, and appliances. Investments in renewable energy create three to five times as many jobs as investments in fossil-fuel energy.

Investing in Renewable Energy, Energy Efficiency and Home Heating Assistance (LIHEAP), Paid for by Making Oil Companies Pay their Fair Share for Drilling on Public Lands (98/99 leases). Creates a Renewable Energy Reserve to invest in clean, renewable energy resources and alternative fuels, promote new energy technologies, develop greater efficiency and improve conservation. It will also fund home heating assistance (LIHEAP), weatherization, the Land and Water Conservation Fund, and carbon capture and sequestration. Revenues from new areas opened offshore will also be deposited in this fund.

Electricity from Clean Renewable Sources. Requires utility companies to generate 15 percent of electricity from renewable sources -- such as wind power, biomass, wave, tidal, geothermal and solar -- by 2020. A 15 percent Renewable Electricity Standard will reduce global warming emissions and lower energy prices, saving consumers \$13-18 billion cumulatively by 2020. It permits utilities to meet up to 4 percent of their target through energy efficiency.

Renewable Biomass. Expresses the sense of Congress that the Renewable Fuel Standard should ensure that every region of the country can be a

potential producer by calling for cellulosic biofuels to be produced from a highly diverse array of feedstocks.

Expanding Domestic Energy Supply

Responsible

Compromise on Drilling on the Outer Continental Shelf. The ending of the current moratorium on September 30 allows drilling 3 miles offshore.

The compromise would permit leasing between 50 and 100 miles offshore if a State 'opts-in' to allow leasing off its coastline by enacting a state law.

Environmental Protections: marine National monuments and national marine sanctuaries are permanently withdrawn from oil and gas leasing. All leasing activities must protect the coastal, marine and human environment of the State coastal zones and OCS.

DOD authority to designate national defense areas remains in force and leasing must also take place in accordance with a Memorandum of Agreement between DOD and Interior Departments.

Adhere to the 2006 law protecting some of the Eastern Gulf of Mexico until 2022 and exempts Georges Bank (in New England), which supports the most valuable fishery in America.

The remaining Outer Continental Shelf beyond 100 miles would be open to oil and gas leasing.

Require Oil Companies to Drill on the 68 Million Acres of Federal Lands They Already Control. Strengthens requirements that oil companies produce oil on federal lands leased for drilling during the initial term of their lease.

Increase Domestic Oil Production in Alaska. Mandates annual lease sales in the National Petroleum Reserve in Alaska, which has more oil than the Arctic Wildlife

Refuge; also the oil can be brought to market sooner. Also requires the Bush Administration to facilitate completion of the oil pipeline infrastructure into the Reserve and the construction of the Alaska Natural Gas Pipeline, which could create up to 100,000 jobs, while banning export of Alaskan oil outside the U.S.

Promote Natural Gas,
E-85 Infrastructure. Includes incentives and financing mechanisms for installing natural gas pumps in service stations and homes and requires service stations owned by Big Oil to install at least one "alternative fuel pump"-such as natural gas or E-85.
Natural gas costs 40 percent less than gasoline, is 33 percent cleaner and is produced in North America.

Carbon Capture &
Sequestration. Advances the development and deployment of carbon capture and storage (CCS) technologies to come up with a cleaner way to use coal.

Oil Shale. Allows Utah, Wyoming, and Colorado to opt in to exploration, development, or production of federal oil shale reserves, if the State enacts a law approving that.

Greater Energy
Efficiency and Conservation

Strengthen Energy
Efficiency in Buildings to Bring Down Costs. Could save consumers at least \$210 billion in energy costs through 2030 by updating energy codes for new buildings. New residential and commercial buildings will have to realize a 30 percent improvement in minimum building standards by 2010, and 50 percent by 2020. The building sector alone accounts for approximately 48% of all energy consumed in the United States and of all U.S. greenhouse gas emissions.

Incentives for Energy
Efficient Homes. Provides incentives to lenders and financial institutions, including the Federal Housing Administration, to provide lower interest loans to consumers who build, buy or remodel their homes to improve their energy efficiency. The average American spends 9.7% of their income on energy, while low-income households spend more than 16%.

Saving Energy Through
Public Transportation Act. Reduces transit fares for commuter rail and

buses and expands service. The average commuter can save up to \$8,000 a year riding public transit, based on today's gas prices.

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