

House Energy and Commerce Committee Reports Climate Change and Clean Energy Bill

On May 21st, the House Energy and Commerce Committee agreed 33 to 25 to report the American Clean Energy and Security Act of 2009 (H.R. 2454) to the House of Representatives – fulfilling Chairman Henry Waxman’s (D-CA) pledge to get the bill through Committee by the Memorial Day Congressional recess.

Chairman Waxman and Energy and Environment Subcommittee Chairman Ed Markey (D-MA) released a discussion draft of the bill on March 31st. (For an overview of the discussion draft, see <http://www.vnf.com/news-policyupdates-347.html>.) During the subsequent month and a half, the sponsors engaged in intense behind-the-scene negotiations with other Committee Democrats concerned about the legislation’s potential impact on consumers, trade-exposed industries, agriculture, and the energy sector.

A substantially revised version of the bill was used as the base bill for the Committee mark-up. The new version would place a cap on greenhouse gas emissions from covered sources at 3% below 2005 emission levels starting in 2012, 17% below 2005 levels by 2020, and 83% below 2005 levels by 2050. In addition, the bill includes a renewable electricity and energy efficiency standard that would require utilities to supply 20% of their demand from a combination of renewable energy and energy efficiency savings by 2020.

The revised draft also included, for the first time, detailed emission allowance allocation provisions. Local electric and natural gas distribution companies, and energy-intensive and trade-exposed industries would receive a significant number of free allowances through 2025.

One significant adopted amendment, offered by Rep. John Dingell (D-MI), would create a “clean energy bank” to fund advanced clean energy technologies too risky to attract sufficient private-sector investment. The House bill and all of the adopted and proposed amendments are available at <http://energycommerce.house.gov>.

Other House Committees, such as the Ways and Means Committee and the Agriculture Committee, are expected to work on climate-related provisions after the Memorial Day recess. An aide for Speaker Nancy Pelosi (D-CA) has said that a “consensus package” will be created and be brought to the floor for a vote. Speaker Pelosi has promised that the vote will be sometime this year. The fate of climate change legislation in the Senate is much less clear, although Senate Environment and Public Works Chairman Barbara Boxer has been holding weekly strategy sessions with members of her Committee and other key senators. The Senate Energy and Natural Resources Committee continues its work to mark-up elements of a comprehensive energy bill.

FOR ADDITIONAL INFORMATION

Van Ness Feldman has an experienced energy and climate change policy team that assists a wide range of clients on policy, transactional, strategic and advocacy issues. We are in a strong position to provide expert analysis and advice on bills emerging in Congress, the surrounding policy and political debate, and the implications for your organization. If you would like more information, please contact Kyle Danish, Doug Smith, Stephen Fotis, or any member of the firm’s Climate Change or Energy Policy practices at (202) 298-1800. Those interested in more detailed and on-going coverage of climate change policy developments may wish to subscribe to the weekly Climate Change Policy Update at <http://www.vnf.com/news-signup.html>.

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