

Energy Legislation Outlook in the 110th Congress

May 30, 2007

Energy Legislation

Senate

Majority Leader Harry Reid announced plans to bring energy legislation (S. 1419) to the Senate floor as early as the second week in June. It is anticipated that the final bill for Senate consideration will merge bills from the Committees on Energy and Natural Resources, Environment and Public Works, Commerce and Foreign Relations. It is likely that the package also will include an energy tax measure scheduled for mark up by the Senate Finance Committee after the Memorial Day recess. This package will likely contain tax credits for energy efficiency, renewable energy, and alternative fuels, and possibly for carbon capture and storage.

House of Representatives

Key committees in the House continue to draft legislation for the “energy independence” package expected on the floor by July 4. The Energy and Commerce Committee is expected to report legislation with titles on energy efficiency, smart electricity grids, revisions to the Energy Policy Act of 2005 loan guarantee program, standby loans for coal-to-liquids (CTL) projects, and transportation/fuel efficiency. Last week the Committee held a hearing on all but the vehicle and fuel efficiency measure, which is being scheduled for a legislative hearing after the Memorial Day recess. All of the energy bill titles are expected to be marked up by the Committee in mid-June. The final bill scheduled for floor debate will include other energy related measures that are being considered in the Resources, Transportation and Infrastructure, Science, and Agriculture Committees, as well as a tax measure to be developed in the House Ways & Means Committee.

The House Republican leadership have announced that they also intend to introduce a comprehensive energy package following the Memorial Day recess.

Climate Change Legislation

Senate

Senate leadership reportedly intend to act on climate change legislation, but have not specified a timetable for action. Both the Senate Energy & Natural Resources Committee and the Senate Environment and Public Works Committee continue to conduct oversight activities and staff continue to work through proposals. No plans have been set for Committee action on a proposal.

House of Representatives

After the energy independence bill is complete, the House Energy and Commerce Committee will go through a similar process for a mandatory, economy-wide climate change bill. The bill will be drafted this summer and will undergo a set of legislative hearings and Committee markups in September in anticipation of floor action in October.

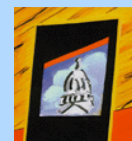
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Upcoming Hearings

Climate Change Hearings

- Senate Energy & Natural Resources Subcommittee on Water and Power – Oversight hearing on the impact of climate change on the water supply on June 6th.
- House Select Committee on Energy Independence and Climate – Field hearing on impact of global warming on New England. June 4th at Cannon Mountain, New Hampshire.

Energy Legislation Hearings

- Senate Energy & Natural Resources Subcommittee on Energy – Hearing on energy conservation, as well as transfer and technology bills (Hearing date TBD). Bills for consideration include:
 - S. 129, a bill calling for a study on energy-efficient computers
 - S. 838, United States-Israel Energy Cooperation Act
 - H.R. 85, Energy Technology Transfer Act
 - H.R. 1126, to reauthorize the Steel and Aluminum Energy Conservation and Technology Competitiveness Act of 1988

Recent Action and Developments

Interior Appropriations

On May 23rd, the House Appropriations Subcommittee on Interior, Environment and Related Agencies approved the creation of a new scientific panel to address global warming adaptation as part of its mark up of EPA's FY 2008 budget. The bill creates a new temporary, two-year commission on adaptation and mitigation, chaired by the president of the National Academy of Sciences. The commission is directed to recommend funding levels for government agencies to conduct additional research on climate change adaptation. EPA and other agencies would receive \$45 million over the next two years, depending on the panel's findings.

Energy & Water Appropriations

On May 23rd, the House Appropriations Subcommittee on Energy and Water approved its FY 2008 mark. The total spending measure was approved at \$31.6 billion, representing an increase of \$1.1 billion over the White House request and \$1.3 billion over the current fiscal year budget. Specific funding amounts for DOE and other agencies were not made available by the Committee staff. The Senate Energy & Water Appropriations Subcommittee mark up has not yet been scheduled.

For Additional Information

For answers to questions regarding specific legislation, please contact Curt Rich (jcr@vnf.com) or any member of the firm's Public Policy practice.

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