

# Summary of Policy Provisions of the Energy Policy Act of 2005 Conference Report

## **Title I – Energy Efficiency**

- \* Requires energy efficiency standards for fourteen large appliances and raises standards for other appliances
- \* Codifies Department of Energy’s “Energy Star” efficiency program
- \* Establishes new requirements for energy efficiency in Federal buildings
- \* Authorizes energy performance savings contracts
- \* Extends Daylight Saving Time -- it will begin the second Sunday in March and end on the first Sunday in November
- \* Provides authorizations for low-income home energy assistance (LIHEAP) and weatherization assistance

## **Title II – Renewable Energy**

- \* Modifies Federal Energy Regulatory Commission’s (FERC) procedures for reviewing license applications for hydroelectric facilities, ensuring all parties can participate in proceedings to consider alternative “mandatory conditions”
- \* Extends renewable energy production incentive

## **Title III - Oil and Gas**

- \* Permanently authorizes the Strategic Petroleum Reserve (SPR), requires Department of Energy (DOE) to fill to 1 billion barrel capacity, and directs DOE to issue rules to take market conditions into account when acquiring oil for the Reserve
- \* Eliminates EPA authority under the Safe Drinking Water Act to regulate hydraulic fracturing except that hydraulic fracturing using diesel fuel remains subject to Federal regulation
- \* Exemption of oil and gas construction sites from storm water runoff regulations under the Clean Water Act

- \* The bill clarifies the authority of the Federal Energy Regulatory Commission to site LNG terminals which are used to receive, transport, and regasify liquified gas imports. The bill allows FERC to establish a timeline for the completion of Federal permits that are required for the siting of these facilities and to maintain a consolidated record of the proceedings. The bill also requires FERC to consult with State and local authorities on a variety of safety and siting concerns. Overturns provisions of the Clean Air Act and the Clean Water Act by eliminating State court review of the State administrative agency permit decisions, and instead provides that exclusive and original judicial review of State permit decisions for LNG terminals and pipelines lies in the United States Court of Appeals for the circuit where the facility is located
- \* Other provisions reported by the House Resources Committee

#### **Title IV - Coal**

- \* Authorizes funding and loan guarantees for “Clean Coal” technology such as gasification
- \* \$1.8 billion is authorized for the Clean Coal Power Initiative to be used between 2006 and 2014
- \* \$3 billion is authorized to fund the Clean Air Coal program, to be expended between 2007-2013

#### **Title V – Indian Energy**

- \* Provides various support and streamlining of procedures for development of energy resource development on tribal land, including oil, natural gas, clean coal, wind, solar, geothermal, biomass and hydropower

#### **Title VI – Nuclear Matters**

- \* Extends the Price-Anderson Act, which provides for public compensation in the event of a nuclear power reactor accident and for DOE nuclear contractor indemnification
- \* Extends whistleblower protections for both DOE and NRC activities
- \* Establishes loan/insurance program to cover costs to owners of delays in commencement of operations of certain new nuclear power plants
- \* Authorizes construction of a new nuclear reactor at DOE Idaho National Laboratory to generate both electricity and hydrogen

- \* The bill establishes procedures to allow for the continued export of highly enriched uranium for use in the production of medical isotopes which are used for medical diagnostics and treatment
- \* Prohibits export of certain nuclear materials to countries that sponsor terrorism
- \* Directs Nuclear Regulatory Commission to conduct security evaluations, including force-on-force exercises, at each licensed facility and to issues rules on “design basis threat” including terrorist risks

#### **Title VII – Vehicles and Fuels**

- \* Modifies the purchase requirements for Federal automobile fleets under the Energy Policy Act of 1992
- \* Includes changes to the Corporate Average Fuel Economy (CAFE) program contained in the House-Senate conference report from the 108th Congress. It extends the existing manufacturing incentives program for alternative fueled vehicles, authorizes appropriations of \$2 million to NHTSA for fiscal years 2006 through 2010 to implement and enforce CAFE standards, and mandates that NHTSA study the feasibility and effects of significantly reducing the amount of fuel consumed by automobiles by model year 2014

#### **Title VIII – Hydrogen**

- \* Contains the President’s hydrogen fuel program and a series of research, development, and deployment incentives for advanced vehicle technologies

#### **Title IX – Research and Development**

- \* Includes provisions reported by the House Committee on Science

#### **Title X – Department of Energy Management**

- \* Establishes new DOE Under Secretary for Science
- \* Authorizes “Other Transactions” authority providing DOE flexibility with respect to R&D

#### **Title XI - Personnel and Training**

#### **Title XII – Electricity**

- \* Establishes an independent organization to improve the reliability of the transmission grid through mandatory and enforceable standards

- \* New procedures for siting electric transmission lines, including Federal preemption in some circumstances
- \* Provides Federal Energy Regulatory Commission limited authority over currently nonregulated entities to ensure nondiscriminatory access to electric transmission lines
- \* Reserves transmission related rights for electric companies “native load”
- \* Expands Public Utility Regulatory Policies Act of 1978 (PURPA) to include net metering and smart metering, and prospectively repeals the mandatory purchase requirement
- \* Repeals Public Utility Holding Company Act of 1935 (PUHCA)
- \* Authorizes FERC to punish manipulation of electricity markets, to provide for greater transparency in natural gas and electricity markets, to impose higher civil and criminal penalties, to review merger applications to prevent cross-subsidies and prevent market power in generation sector, and to ensure FERC rather than bankruptcy courts decides Enron contract termination claims
- \* The bill introduces new procedures into the relicensing process for dams by allowing any stakeholder -- utility, State, Indian Tribe, or conservation group -- to propose alternatives to the mandatory resource protections that the Departments of Interior and Commerce include in hydroelectric licenses. The bill also provides for a streamlined trial-type hearing process to resolve disputes of material fact

### **Title XIII – Energy Policy Tax Incentives**

- \* Includes provisions reported by the Committee on Ways and Means

### **Title XIV – Miscellaneous**

- \* Sense of Congress on risk assessments

### **Title XV - Ethanol and Motor Fuels**

- \* Contains provisions addressing ethanol, reformulated gasoline, leaking underground storage tanks, and “boutique fuels”
- \* Mandates annual use of 7.5 billion gallons of ethanol by 2012, implemented through an ethanol credit program for refiners, blenders, and importers
- \* Includes other provisions addressing fuels issues and requiring fuels studies

- \* Adds new delivery prohibition operator training and inspection requirements to the Leaking Underground Storage Tank Program. Waives sovereign immunity to ensure compliance by Federal agencies. Authorizes \$605 million per year for five years for the Leaking Underground Storage Tank Program for compliance and corrective actions
- \* Limits the number of boutique fuels, both nationally and on a regional basis

#### **Title XVI – Climate Change**

- \* Establishes Climate Change Technology Advisory Committee to identify statutory, regulatory, economic and other barriers to the commercialization and deployment of greenhouse gas intensity reducing technologies and practices
- \* Directs State Department to act as lead agency for integrating into U.S. foreign policy the goal of reducing greenhouse gas intensity in developing countries, and directs DOE to conduct an inventory of greenhouse gas intensity reducing technologies for transfer to developing countries

#### **Title XVII – Incentives for Innovative Technologies**

#### **Title XVIII – Studies**