

# Congress of the United States

## House of Representatives

Washington, DC 20515

Statement of Rep. Henry A. Waxman  
Chairman, Committee on Energy and Commerce  
Amendment in the Nature of a Substitute on Energy  
January 22, 2009

I recognize myself to offer an amendment in the nature of a substitute.

The “American Recovery and Reinvestment Act” will accelerate deployment of smart grid technology, offer support for the nation’s governors and mayors to tackle their energy challenges, and establish a new loan guarantee program to keep renewable energy on track during the economic crisis.

It accomplishes these goals primarily by relying on the Committee’s work in the past. Much of the energy-related funding in the bill is directed at programs that our Committee wrote and are now law.

But given the amount of investment necessary at this dire time, legislative action by the Committee is necessary to ensure that existing programs can be scaled up to invest promptly and effectively. The substitute I’m offering effectuates a number of technical corrections and other amendments to achieve these goals.

Let me summarize the substitute for you briefly.

Section 5001 makes a technical correction to the Energy Efficiency and Conservation Block Grant program which was enacted in the Energy Independence and Security Act of 2007. Without this correction, certain provisions in the statute are overlapping and confusing.

Section 5002 amends Title 13 of EISA (pronounced “ee-sa”) to allow smart grid demonstration projects to flourish, to assure that results of the demonstration projects will be public knowledge, and to increase the percentage of smart grid matching grants to 50% from 20%. The substitute includes several refinements to this provision at the suggestion of Subcommittee Chairman Markey and Mr. Weiner, including requiring grantees to utilize open internet-based protocols and standards when available and ensuring that demonstration projects are supported in geographically diverse cities, suburbs, and rural areas.

Section 5003 adds a temporary loan guarantee authority to Title 17 of the Energy Policy Act of 2005 to provide loan guarantees for commercial renewable energy systems and electric power transmission systems that begin construction by September 30, 2011. The substitute clarifies the categories of eligible recipients of loan guarantees. It also states that transmission projects, including upgrading and reconductoring, are eligible for guarantees, and provides factors for the Secretary to evaluate in offering guarantees. And it clarifies that renewable

energy systems that generate electricity are also eligible. I'd like to thank Rep. Bono Mack for her work to ensure that transmission upgrading is eligible under this provision.

Section 5005 amends the Weatherization Assistance Program authorization to increase the threshold for household eligibility for assistance from 150% to 200% of the federal poverty income levels, and to increase the per-home maximum assistance from \$2,500 to \$5,000. At the suggestion of Rep. Space, the substitute also allows the Secretary to encourage states to pursue separate elements of weatherizing eligible homes, such as attic insulation.

Section 5007 requires the Secretary of Energy to include an analysis of the transmission issues facing renewable energy in the study of electric transmission congestion due to be issued in August 2009. The substitute directs the Secretary to make its assumptions and projections publicly available in that report.

The substitute also contains two additional provisions that are not currently in the Appropriations Committee's economic recovery package. Section 6001 is a provision that conditions the award of State Energy Program funding from the Recovery bill upon a notification to the Secretary of Energy by the Governor of a state that the Governor will seek to ensure, to the extent of his or her authority, that the state adopt (1) certain utility regulatory policies to encourage utility-sponsored gains in energy efficiency and (2) updated energy-efficient building codes.

This provision has been endorsed by a coalition of industry trade associations and environmental groups. The Alliance to Save Energy, the American Gas Association, the Edison Electric Institute, and the Natural Resources Defense Council have all endorsed this provision.

Finally, section 6002 waives certain caps on grants and loans under the Energy Sustainability and Efficiency Grants and Loans for Institutions program for the economic recovery period. However, the provision requires that not more than 80% of a project's cost be provided as a grant.

These changes are targeted to ensure the Recovery Act can work in a timely way. I want to thank Rep. Ross and Rep. Sarbanes and their staff for working through some of these issues with the Committee.

I urge all members to support this substitute.