

Domestic Energy

ENERGY INDEPENDENCE: When Democrats regained control of Congress in 2006, the Energy Information Administration predicted that, over the next three decades, “The United States is expected to continue its dependence” on foreign oil, with imported oil comprising 61% of liquid fuel consumption in the year 2035. Now, after three and a half years of Democrats charting a new course for our national energy policy, the EIA estimates that U.S. dependence on foreign oil “is expected to continue declining... from the high-water mark of 60 percent, attained in 2005 and 2006, to 45 percent in 2035.” The bill will build on these efforts by extending critical energy incentives that further reduce our dependence on foreign oil.

- **Biodiesel and renewable diesel.** The bill would extend the \$1.00 per gallon biodiesel and renewable diesel tax credits. This extension will support more than 35,000 jobs and displace more than 750 million gallons of petroleum.
- **Natural gas, propane, biogas and liquid fuels derived from biomass.** The bill would extend the 50 cent per gallon tax credit for alternative transportation fuels such as natural gas, propane, biogas and liquid fuels derived from biomass.
- **Heavy hybrid trucks.** The bill would extend for one year (through 2010) the alternative motor vehicle credit for heavy hybrid trucks (i.e., hybrid motor vehicles that are not passenger automobiles or light trucks).

RENEWABLE ENERGY & ENERGY EFFICIENCY: The Energy Information Administration projects that Democratic efforts to expand renewable electricity through tax credits, loan guarantees, and State mandates will more than double the amount of electricity that is generated from renewable resources and will account for 45% of all new electricity generation over the next twenty-five years. Furthermore, the Energy Information Administration has estimated that household and commercial energy bills will be \$13 billion lower in 2020 as a result of the investments that were made in the Recovery Act. The bill will build on these efforts by extending critical energy incentives that further reduce our dependence on foreign oil.

- **Open-loop biomass.** The bill provides an additional year of support for electricity produced at old electricity facilities that produce electricity from biomass.
- **Tax credits for energy efficient new homes.** The bill extends a tax credit for the manufacture of energy efficient homes.
- **Tax credits for energy-efficient windows.** The bill clarifies important standards with respect to the installation of energy efficient windows.
- **Direct payment in lieu of energy-efficient appliance tax credit.** The bill would ensure that tax-incentives for manufacturers of energy-efficient appliances continue to work during this economic recession, by allowing manufacturer to exchange their tax credits for a direct payment equal to eighty-five percent (85%) of the tax credit that would otherwise have been allowed.