



BCSE 2009 Clean Energy & Economy Forum

Complementary Energy and Climate Change Policies

Congress should enact complementary policies that can be integrated into a comprehensive greenhouse gas emission reduction program to speed the deployment of existing clean energy and energy efficiency technologies. These policies should provide accurate cost-based price signals to promote wise use of energy and reduce energy use at peak times, avoid the inefficient production of energy, and encourage non-centralized, distributed generation.

Key Messages and Recommendations

1. *Renewable Electricity Standard (RES)* -- Congress should enact a national renewable electricity (portfolio) standard to ensure that a growing percent of electricity consumed in the United States is derived from renewable energy sources. A renewable electricity standard would enhance the diversity of the nation's energy supply and would help the United States regain global leadership in technology development. Studies have shown that electricity rates are likely to fall, often significantly, with the enactment of a renewable electricity standard.¹ The price reduction would result from a diverse supply of energy which would decrease demand on finite natural gas resources and lower the price for those resources.

Voluntary demand for renewable electricity, or RECs, should not be counted toward a federal requirement. To encourage the voluntary market, nearly all state Renewable Portfolio Standard rules expressly prohibit counting voluntary renewable demand against state requirements. Federal legislation should do likewise so that voluntary markets create renewable demand that is above and beyond mandated levels.

2. *Energy Efficiency Resource Standard (EERS)* -- Congress should enact a national energy efficiency resource standard, which is modeled after, but is separate from the renewable electricity standard. An EERS would help meet energy needs through energy efficiency measures rather than through the construction of new generation, transmission and distribution facilities. Legislation should establish a national target requiring utilities to achieve energy savings through efficiency programs, combined heat and power (CHP), distribution efficiency, or purchase of such savings from others. All entities which implement energy efficiency and demand response measures in their facilities should be rewarded and encouraged for their efforts, including end-users who invest in on-site energy efficiency, CHP, or renewable energy projects.

3. *Tax and/or comparable clean energy technology Incentives* --The American Recovery and Reinvestment Act (HR1), recently passed by Congress, contained a number of clean energy tax incentives which will create jobs, and which can be an effective tool to encourage investments in renewable technologies and energy efficiency. Additional tax measures should be enacted to provide parity for all renewable technologies, and to encourage efficient, renewable generation and energy efficiency.

4. *Improved Energy Efficiency in Buildings* -- Homes and other buildings consume almost half of America's energy. Therefore, building efficiency must play a significant role in any successful effort to improve energy efficiency and reduce greenhouse gas emissions. The Council supports the following:

¹ *Cashing in on Clean Energy: A National Renewable Energy Standard Will Benefit the Economy and the Environment*, Union of Concerned Scientists, October 2007 Update, http://www.ucsusa.org/assets/documents/clean_energy/Cashing-In-National-15.pdf

- *Advanced building energy codes.* Congress should establish energy-savings targets for buildings and should encourage states to adopt energy efficiency programs in the forms of codes, standards and incentives to achieve these targets, and most importantly, to ensure that the targets are met. The objective should be savings of 30% by 2010 and 50% by 2020 and should be accompanied by building owner incentives to support the investments needed to achieve these targets in individual buildings.
- *Additional Building Efficiency Programs.* The Council supports other important programs for encouraging efficiency in buildings, including: the establishment of a national model for building labeling programs; a program to require sellers of existing homes to disclose utility bills during the time of sale; and a zero energy building program (Building America) similar to the Commercial Building Initiative in the Energy Independence and Security Act of 2007.
- *Maximize Use of Combined Heat and Power (CHP).* Congress should enact policies to encourage localized power generation where waste heat is recovered to provide both heating and cooling.

5. *Industrial Efficiency* – Congress should authorize and appropriate funding for industrial energy efficient technology deployment with a focus on combined heat and power (CHP) and distributed generation for industrial and all building applications. Congress should also provide full funding for the Waste-Energy-Recovery Incentive Grant Program authorized in the Energy Independence and Security Act of 2007.

6. *Research and development support for emerging clean energy technologies* - Congress should support funding for research, development, and demonstration of advanced energy technologies, which will reduce greenhouse gas emissions.

7. *Transmission* - Congress should facilitate the transition to a smarter, more efficient transmission and distribution grid through policy and financial incentives that also preserve and enhance the competitive electricity markets administered throughout much of the country. Investment in energy infrastructure can ensure that renewable energy technologies play a significant role in meeting domestic energy demand. Locally, smart grid distribution technologies would facilitate demand reduction and demand response and would provide consumers with real choices regarding their energy supply.

About the Business Council for Sustainable Energy

The Business Council for Sustainable Energy is an industry coalition that includes businesses and trade associations representing a suite of currently available technology options for strengthening domestic energy security while also reducing emissions of greenhouse gases that contribute to global climate change. These technologies include: advanced batteries, biomass, biogas, fuel cells, geothermal, hydropower (including new waterpower resources such as ocean, tidal and in-stream hydrokinetic), solar (including solar energy equipment such as solar hot water heating and solar light pipe technology), wind, natural gas, and supply-side and demand-side energy efficiency (including combined heat & power systems, oxy-fuel combustion systems, and others).

Note: As a diverse business coalition, not all Council members endorse or take positions on the set of recommendations provided.



Business Council for Sustainable Energy
 1620 Eye Street, NW Suite 501
 Washington, DC 20006
 Tel: 202-785-0507 Fax: 202-785-0514
 Web: www.bcse.org