

DEMOCRATS ARE FIGHTING FOR LOWER GAS PRICES, ENERGY EFFICIENCY AND ADVANCED ENERGY TECHNOLOGIES, AND CONSUMER PROTECTION

Today, Reps. Tim Bishop (D-NY) and Ed Markey (D-MA) will offer a Democratic energy amendment to the GOP energy bill.

Consumers have paid the price for rising gas prices over the last year. Just in the last two months, gas prices have soared by an average 33 cents a gallon, hitting commuters' pocketbooks hard and threatening small businesses that rely on gasoline. For five years, Republicans in Congress have pursued an energy policy to give away billions in subsidies to special interests that are already profiting from record-high gas prices and to provide a free ride to polluters who have poisoned our groundwater. It's time to pursue a different course.

The Democratic energy amendment, to be offered by Reps. Bishop and Markey, is designed to help lower gas prices, increase our energy efficiency standards, protect electricity consumers, and eliminate special interest subsidies, investing those resources instead in new technology to create a better energy future for our children. Following are talking points on the provisions of the amendment.

Fighting to Lower the Price of Gasoline

The national average price for gasoline remains at record levels of \$2.24 a gallon, up 33 cents over the last two months according to the Energy Department and 42 cents higher than a year ago. Further, it is projected to climb to \$2.35 per gallon by Memorial Day and remain at or near record highs all summer long. And yet the Bush Administration has failed to take any real action to begin to respond to skyrocketing gasoline prices. By contrast, Democrats are fighting to bring down the price of gas.

Lowering the price of gasoline by stopping the filling of the Strategic Petroleum Reserve. The Democratic amendment includes provisions calling on the Bush Administration to immediately urge OPEC to increase oil production. The amendment also calls on the President to suspend deliveries to the Strategic Petroleum Reserve (SPR) and put the oil on the marketplace, which in 2000 brought down gasoline prices by 14 cents per gallon and crude oil prices by \$6 per barrel. In 1991, the SPR release authorized by then-President Bush brought crude oil prices down \$11 per barrel.

Protecting against price gouging and increasing public information on prices. The Democratic amendment would also direct the Federal Trade Commission and Attorney General to exercise vigorous oversight over the oil markets to protect the American people from price gouging and unfair practices at the gasoline pump. The FTC must also write regulations establishing an electronic information system to facilitate price transparency and participation in gasoline markets under its jurisdiction.

Promoting Energy Efficiency and Advanced Energy Technologies

Improving energy efficiency is a key component of a 21st century energy policy. Research and development in energy conservation and renewable energy has already produced cutting-edge technologies and methods capable of substantially reducing energy consumption and improving environmental quality. Yet, deployment of these newest-generation technologies lags so far behind these innovations that American consumers have no choice but to utilize the inefficient and polluting technologies of yesterday. The following provisions in the Democratic amendment are designed to increase our energy efficiency standards, expand the deployment of the latest technologies, and increase research and commercialization of emerging technologies.

Creating a Trust Fund. The Democratic amendment eliminates certain special interest subsidies and invests those resources in a new Emerging Technology Trust Fund, to provide a guaranteed source of funds for R&D to develop emerging technologies for more efficient and renewable energy sources.

Providing tax incentives for energy efficiency. The Democratic amendment extends for five years the tax credit that provides incentives for investments in solar, wind, geothermal and biomass technologies. It also includes several tax incentives for energy efficiency that were included in last year's energy bill, but were dropped from this year's bill. These include providing a tax credit for new homes that reduce energy use by 30 to 50 percent; tax incentives for highly-efficient residential furnaces, air conditioners, and water heaters; a 10 percent investment tax credit for high-efficiency systems that generate both heat and power; and a tax deduction for expenses needed to reduce energy use of new and existing commercial buildings by 50 percent relative to model national codes.

Providing investments in energy efficiency. The Democratic amendment includes several provisions providing investments in energy efficiency, including requiring certain new appliance and equipment standards; establishing a program of grants to states that achieve at least 90 percent compliance for new buildings that meet the energy performance level of the most recent building energy codes; and ensuring updated performance standards and preserving the integrity of the Energy Star label by limiting designation to the top 25 percent of products.

Creating a Small Business Commercialization Assistance program. The Democratic amendment establishes a Small Business Commercialization Assistance program to provide assistance for small companies and start-ups for commercialization of energy efficient and renewable energy technologies developed with the support of the Department of Energy.

Providing independent assessment of innovative financing techniques. The Democratic amendment also requires an independent assessment of innovative financing techniques to facilitate construction of new renewable energy and energy efficient facilities that might not otherwise be built.

Protecting the Environment

Prohibiting oil and gas drilling in or under the Great Lakes. The Democratic amendment includes an important environmental provision, prohibiting federal or state permits or leases for new oil or gas drilling in or under the Great Lakes.

Protecting Electricity Consumers from Market Manipulation and Price Gouging

Finally, the Democratic amendment also includes the Dingell substitute on electricity provisions. The Republican provisions on electricity ignore the lessons of the past several years on the volatility in electricity markets, which harmed consumers in California and other western states and eroded investor confidence in this critical industry. For example, the Republican provisions repeal the Public Utility Holding Company Act, a law that protects consumers and investors from corporate abuses. By contrast, the Dingell electricity substitute provides targeted, common sense reforms designed to ensure that the Federal Energy Regulatory Commission (FERC) and the Securities and Exchange Commission have the tools and power they need to fulfill their roles to protect consumers and investors. The Dingell substitute also includes important energy antifraud provisions to avoid a recurrence of the widespread fraud that roiled Western power markets in recent years by updating tools to fight ENRON-style corruption and imposing civil and criminal penalties.

