

US House of Reps proposes energy measures

US House of Representatives leadership have unveiled their proposed US\$825 billion economic stimulus legislation, which includes US\$32 billion to transform the nation's electricity grid and boost renewable energy resources. Congress over the next two weeks is expected to debate and vote on the so-called American Recovery and Reinvestment Bill. The measure, the product of weeks of negotiations between the House and President-elect Barack Obama's transition team, will also extend for three years production tax credits for a range of renewable industries. "We have now frozen the design from the standpoint of our proposal," says House Speaker Nancy Pelosi. She emphasises that the bill is likely to change when the House Appropriations and Ways and Means Committees mark it up. The Senate is working on its own proposal to kick-start the economy. "We have shared values, and so we have shared priorities in the legislation," Pelosi says of the package Senate Democrats are crafting. Pelosi calls the bill's investments in clean energy "very important" in terms of creating jobs and improving US energy infrastructure. Specific energy provisions include US\$11 billion for improving the grid's efficiency and building new lines to reach remote renewable resources. The package also contains US\$8 billion for loan guarantees for renewable energy power generation and transmission projects. The package provides significant support for energy efficiency, including US\$6.9 billion for local government energy efficiency block grants, US\$2.5 billion for energy efficiency housing retrofits and energy efficiency research and development. Projects to weatherproof houses in low-income neighbourhoods receive \$6.2 billion. To address climate change, the package provides \$2.4 billion for demonstration projects to help develop carbon capture and sequestration technology. The bill's US\$275 billion tax cut package will include at least US\$20 billion for renewable energy production tax credits. The House bill also remedies the current renewable tax credit problem incurred in the current rocky economy with a temporary election to claim the investment tax credit in lieu of the production tax credit. The tax portion of the stimulus also includes more funds for the clean renewable energy bonds. There also will be tax credits for "smart energy" conservation, energy efficiency, and renewable energy R&D credit.

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