

*House Passes Historic Energy and Global Warming Bill*

**Washington, DC** – Rep. Earl Blumenauer (D-Ore.) today voted in favor of a historic energy and global warming bill, which passed the House by a vote of 219-212. The American Clean Energy and Security Act (ACES) is the first legislation in history to put a cap on dangerous carbon pollution and create a mechanism that will invest in clean, renewable energy sources, new technologies, and low-carbon transit. Rep. Blumenauer worked with the Energy and Committee to provide low-carbon transit funding from zero to around \$530 million per year, which over time will become \$1 billion per year.

**Following is a statement from Congressman Blumenauer:**

“Some votes just feel different, and today’s was truly historic. For the first time, Congress has taken action to rein in global warming pollution and jumpstart America’s clean energy industries. After eight years of an administration that denied the warming of our planet, we are taking action to invest in energy that can’t ever spill or run out, will create millions of jobs at home and around the country, and protect our planet for future generations.

“At a time when Oregon is faced with record unemployment, this legislation will spur innovation and immediately make a difference in the electric, construction, and engineering sectors. Investments in clean energy will reduce utility costs, while developments in clean vehicle technology will save Oregon families more than \$11 a month in transportation costs by 2020.

“I worked with Chairman Waxman and Subcommittee Chairman Markey to invest in low carbon transportation, which includes public transit, bikes, and complete streets. These investments will create local jobs, give people more commuting options, and improve public health.

“The bill also invests in the future of our nation’s security by reducing our dependence on oil and helping those in developing nations who will be disproportionately impacted by the effects of global warming. The bill helps the world’s poorest people – those least able to deal with the consequences of rising sea levels and a warming planet – by helping them adapt to these changes. This is not only the right thing to do, but it will restore America’s credibility in the world and advance our security interests.

“Oregonians have long understood the value of a healthy environment, and my constituents have been pushing me for years to get Congress to take strong action on climate change.

Today represents a historic first step for our economy and our planet, and I am truly proud of the direction this Congress and President Obama are taking our nation.”

## **BACKGROUND INFORMATION ON BILL**

Read a comprehensive description of the legislation [here](#).

### ACES Makes Significant Environmental Progress and Transitions to Clean Energy

- Not only will the bill cap emissions from covered sources (86% of sources) at 17% below 2005 levels by 2020 and 83% by 2020, but when the complementary requirements and regulations are taken into account, the bill will reduce greenhouse gas emissions 28% below 2005 levels by 2020.
- The bill requires utilities to meet 20% of their electricity demand through renewable energy and energy efficiency by 2020.
- It mandates new efficiency standards for buildings, appliances, and industry. For example, new buildings must be 30% more efficient in 2012 and 50% more efficient in 2016.
- ACES directs the EPA and State Dept. to use 5% of the allowances to secure agreements from developing nations to prevent tropical deforestation and degradation, which is responsible for 20-25% of man-made greenhouse gas emissions worldwide. This provision will reduce emissions by an additional 10% by 2020.
- It starts to shift our transportation system away from oil by investing in electric vehicle infrastructure and providing financial assistance to retool existing factories to manufacture electric vehicles.
- Provides funding for states to make further investments in efficiency and renewables, including clean transportation.
- Paves the way for an international agreement in Copenhagen in December where developed and developing countries will agree to cap and reduce worldwide emissions.

### ACES Protects Consumers from Electricity Rate Spikes

- To mitigate electricity and natural gas price increases, the bill provides free allowances to regulated utilities, which are then required to pass the value of the allowances to consumers in the form of rate reductions.
- To mitigate increases in home heating oil, free allowances are provided to states to provide rebates and invest in energy efficiency.
- Unlimited banking of allowances, a two-year compliance period, and a strategic reserve of allowances available for auction if allowance prices exceed 160% of their three-year average will help ensure a smooth cost curve for allowances prices and certainty for the industry.
- A minimum price floor for auctioned allowances will provide stability and investment certainty.
- From the beginning, 15% of the allowances will be auctioned and the revenue used to offset increased costs for low income Americans. The Center for Budget and Policy Priorities estimates that this provision will fully protect the bottom quintile of families and part of the next quintile from any direct or indirect energy price increases.

Invests in the Public Interest

- A majority of the value of the allowances over the course of the program (59.4%) is used to benefit consumers and public purposes through preventing significant increases electricity, natural gas, and home heating oil prices; providing refunds to low income families; providing worker assistance and job training; investing in renewable energy, energy efficiency, and building codes; preventing international deforestation; and supporting adaptation measures at home and abroad. Only about 17% of the allowances are used to support private industry, mainly by providing assistance to energy-intensive, trade-exposed industries to prevent jobs from moving overseas and carbon leakage; incentives for carbon-capture and storage; clean vehicle technology; and transition assistance for oil refiners and merchant coal producers.
  - Starting in 2026, all unallocated allowances will be auctioned and the proceeds will be distributed in equal payments to all legal US residents. This will be about 55% of the allowances by 2030, which means that tens of billions of dollars will be distributed as “dividends.”
  - By 2050, over 80% of the allowances will be used for public purposes and to benefit consumers.

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Media Contact: Erin Allweiss

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202-225-4813 Office/202-446-8265 Cell

Erin.Allweiss@mail.house.gov