

CLEAN FUELS AND VEHICLES

- **Protecting the environment:** The energy bill gets rid of the MTBE fuel additive which has been leaking out of gas storage tanks into surrounding soil in some states. Some claim MTBE harms the environment and many states face costly cleanup. As of February 2006, gasoline will instead include ethanol, a clean and renewable fuel made from plants.
- **Lowering prices for consumers:** The energy bill reduced the number of boutique fuels in the marketplace. By reducing the number of special fuels that have to be mixed at refineries, we reduce the cost of gasoline.
- **Hybrid Cars Tax Credit:** Effective January 2006, the energy bill replaces the tax deduction for buying hybrid cars with a much more generous tax credit, giving consumers a greater incentive to buy fuel-efficient cars.

OIL

- **Increased domestic oil production from approved sites:** The energy bill includes several provisions to help America get more oil from existing development.
- **Increasing western states production:** A western states pilot program streamlines the permitting process to cut out months and years of unnecessary delays and bring oil to the market sooner.
- **Developing innovative technologies to protect the environment and produce more oil.** One such innovation in the bill drives previously unreachable oil to the surface by forcing carbon dioxide into old wells. This technique has doubled oil production at DOE's Weyburn oil development site, a mature oil field. Carbon sequestration at this one site alone could produce an additional 130 million barrels of oil and sequester as much 30 million tons of CO₂.

NATURAL GAS

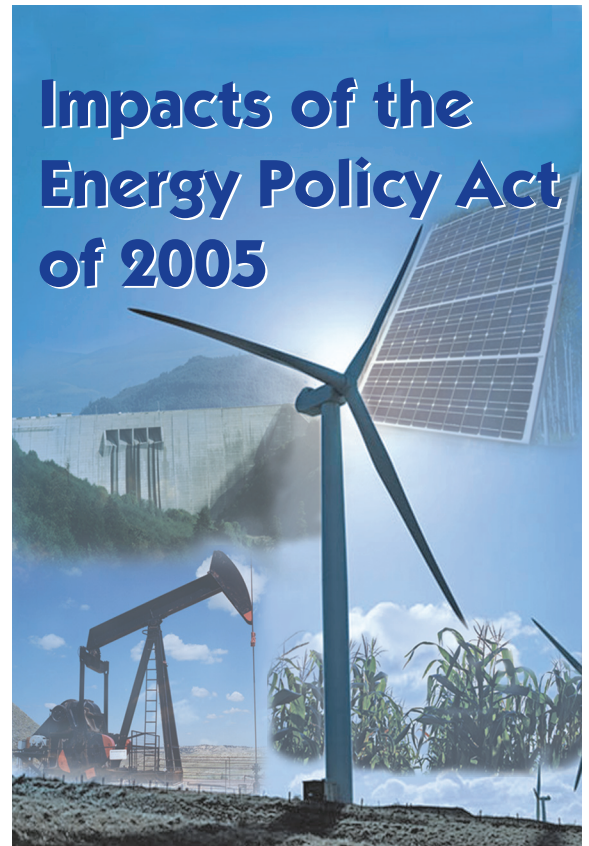
- **Developing more natural gas faster:** The energy bill creates a western-states pilot program that will help bring 7 trillion cubic feet (almost half the annual U.S. consumption) of new gas to market in the next 15 years. The new program eliminates months and years of bureaucratic delays in issuing drilling permits in approved areas.

COAL

- **Encourages utilities to invest in clean coal generation:** Establishes three tax credits for investments in clean coal facilities producing electricity: (1) 20 percent credit for industrial gasification projects, (2) 20 percent credit for integrated gasification combined cycle (IGCC) projects, and (3) 15 percent credit for other advanced coal-based projects that produce electricity.
- **Utilities Respond by Planning Clean Coal Facilities:** 120 new coal-based facilities are in various stages of proposal, according to the National Energy Technology Laboratory. Many will utilize the investment incentives provided in the energy bill.
- **Transportation Fuel from Coal:** The bill authorizes \$1 billion over three years for technologies to create fuels from coal such as clean, zero-sulfur synthetic oil. This oil is expected to cost only \$35 to \$40 per barrel to produce.
- **Reducing Our Reliance on Foreign Oil and Gas:** By 2025, fuels from coal could replace as much as 2 million barrels per day of oil and 5 trillion cubic feet of natural gas per day, according to the National Mining Association.
- **Creating New Jobs:** The new technologies will help coal remain a driver in our national economy. By 2025, coal is expected to generate as much as 54 percent of our electricity. Over the next 5 years, 55,000 new coal miners will be hired to replace existing workforce.

HYDROPOWER

- **Relicensing Reforms:** The energy bill implemented hydropower licensing reforms, making it easier to relicense America's hydropower plants.
- **Ensures affordable electricity:** Hydropower is America's cheapest source of electricity. Relicensing these dams ensures that consumers will continue to get affordable power.



ETHANOL

- **Economic Gains:** Rural economies across the country are being revitalized through investment in ethanol production thanks to the ethanol requirement in the energy bill. Over the next six years alone, ethanol use will displace 2 billion barrels of foreign oil, create 234,840 new jobs, and boost American household incomes by \$43 billion.
- **New Ethanol Plants:** Because of the ethanol requirement, 34 new ethanol plants are under construction and 8 existing plants are being expanded today. And more than 150 plants are in the works. Each plant employs between 40 and 50 people directly and creates hundreds of jobs throughout the local economy. These new plants will add more than 2 billion gallons of ethanol to the nation's fuel supply by 2007, a 50 percent growth in ethanol production capacity.
- **Creation of New Jobs:** In 2005, the U.S. ethanol industry supported the creation of 153,725 new jobs in all sectors of the economy, including more than 19,000 jobs in America's manufacturing sector. Ethanol added \$5.7 billion to the bottom lines of American families and resulted in more than \$1.6 billion in state and local tax revenue that can be used to build schools, hire first responders and improve roadways. Thanks to the ethanol requirement in the energy bill, these numbers will only continue to improve.

NUCLEAR

- **New Nuclear Plants:** Because of the provisions in the energy bill, including the loan guarantee authority, the production tax credits, and the insurance protection against licensing delays and litigation, nine generating companies and consortiums across the United States are preparing applications for permission to build between 9 and 19 new nuclear power plants.
- **Increased Generation:** If all 19 are built, they would generate between 20,000-25,000 megawatts of new electricity between the years 2015 and 2020, enough electricity to power between 15 – 19 million households.
- **Creation of New Jobs:** Those plants would also create between 40,000 and 45,000 construction jobs and approximately 10,000 high paying, high-tech plant operation jobs.

ENERGY EFFICIENCY:

- **New Federal Efficiency Standards:** The energy bill implemented new efficiency standards for 15 large commercial and residential appliances that have, in the past, consumed a great deal of energy, such as commercial washers, refrigerators, freezers, air conditions and ice makers. In response to that mandate, the Department of Energy last month codified 15 new efficiency standards.
- **Energy Savings:** Because of these new standards alone, we will save 50,000 megawatt off-peak electricity use by 2020 – which is an energy savings equal to more than 80 600-megawatt power plants.
- **Helps consumers save energy:** Encourages consumers to make their homes more energy efficient by giving them a 10-percent personal tax credit for energy efficiency improvements. The maximum credit is \$500 (\$300 for windows). Expires after December 31, 2007.
- **Helps builders build more energy efficient homes:** Home builders get a business tax credit for the construction of new homes that meet a 30 percent energy reduction standard. The tax credit expires after December 31, 2007.
- **Helps businesses save energy:** Provides a deduction for energy efficient commercial buildings meeting a 50 percent energy reduction standard. The maximum deduction is \$1.80 per square foot of the building. Expires after December 31, 2007.
- **Helps manufacturers build more energy-efficient home products:** Provides a manufacturers' tax credit for energy efficient dishwashers, clothes washers, and refrigerators manufactured in 2006 and 2007.

WIND

- **Encourages new wind production:** The energy bill extended until 2007 a 1.8 cent per kilowatt hour production tax credit for new wind energy. This will strongly encourage utilities to build more clean and renewable wind power.
- **Increased Capacity:** 2,500 megawatts (MW) of new wind power, enough energy for the annual needs of 875,000 households, will be installed this year due in part to the extension of production tax credits in the energy bill. A total of more than 14,000 MW of wind energy could be online by the end of 2007, when the tax credits expire, which is enough energy to power roughly five million homes for one year.

- **Improving the environment:** This new power alone will offset the emission of approximately 7 billion pounds of carbon dioxide, equivalent to keeping nearly 500,000 SUVs off the road, according to the American Wind Energy Association.

SOLAR

- **Encourages generation of more solar energy:** The energy bill gives a comparable tax incentive to the solar industry until 2007 to encourage the electricity industry to build more clean and renewable solar power.
- **Encourages consumers to produce their own solar energy:** Creates a 30-percent tax credit for the purchase of residential solar water heating, photovoltaic equipment, and fuel cell property. The maximum credit is \$2,000 for solar equipment and \$500 for each kilowatt of capacity (for fuel cells). Expires after 12/31/2007.

ELECTRICITY

- **Electric Reliability:** The Federal Energy Regulatory Commission (FERC) has finalized new mandatory rules that ensure consumers a reliable supply of electricity and help prevent future blackouts.
- **Market Manipulation:** The energy bill grants FERC the authority to facilitate energy price transparency and strengthens existing protections against market manipulation of energy prices. These provisions were designed to prevent future market abuses such as those in California, Washington and Oregon in 1999 through 2001.
- **PUHCA Repeal:** The energy bill repealed the Public Utilities Holding Company Act (PUHCA) of 1935 and passed PUHCA 2005, a streamlined version of the law which opens the electricity and natural gas sectors to new sources of investment for necessary energy infrastructure development. This will have the effect of encouraging the construction of power lines, pipelines and underground bundled cables to meet America's future energy needs.
- **Mergers:** The energy bill protects consumers from unnecessarily high electricity prices by requiring FERC to determine whether or not a proposed utilities merger will harm consumers. FERC is also directed to expedite certain mergers in order to encourage more electricity generation and better delivery of electricity to consumers.