

Energy

Even Modest White House Plan on Efficiency Said Likely to Face Republican Opposition

A White House plan to fund building energy efficiency upgrades as part of a jobs creation initiative is far more modest than clean energy advocates had hoped for, but is still likely to be a tough sell to House Republicans, lawmakers and others told BNA Sept. 8.

Under a \$447 billion jobs initiative outlined by President Obama in a joint speech to Congress Sept. 8, some \$30 billion could be used to modernize schools and community colleges via emergency repair and renovation projects, including energy efficiency upgrades.

Energy efficiency spending will likely run into opposition from lawmakers who have criticized it in the past, Rep. Ed Whitfield (R-Ky.) said in an interview prior to the speech.

“I don’t think anything’s changed,” Whitfield said. “I think the record reflects that the stimulus money that has gone to green energy projects has not been successful, has not created jobs.”

According to a fact sheet released by the White House, the building funds could be used for such projects as emergency repairs, asbestos abatement, and construction of new labs, as well as “greening and energy efficiency upgrades.”

The White House said the spending package Obama is proposing would be paid for by “additional deficit reduction” the president is requesting from the Joint Select Committee on Deficit Reduction.

Hostility Toward Efficiency Funding. House Republicans have shown hostility toward energy efficiency efforts by attempting to repeal legislation setting new efficiency standards for light bulbs and by passing an appropriations bill (H.R. 2354) that would significantly reduce funding for Energy Department efficiency programs in fiscal year 2012.

Meanwhile, American Recovery and Reinvestment Act funding that was appropriated to efficiency programs such as the Energy Department’s Weatherization Assistance Program, as well as an energy efficiency grant program, have been criticized for not being brought up to speed quickly enough (174 DEN A-11, 9/8/11).

“This weatherization funding in particular has been a gross disappointment,” William Yeatman, an official with the Competitive Enterprise Institute, a conservative public policy advocacy organization, said in an interview.

Dozens of groups lobbied the White House to include funding for clean energy measures in the president’s jobs speech.

Among them was the BlueGreen Alliance, a coalition of labor and environmental groups that sent a Sept. 7 letter to Obama with requests ranging from tax credits for clean energy manufacturing to a new agency to fund experimental energy projects.

Obama’s Ambitions Tempered. While Obama featured clean energy programs prominently in previous speeches, such as his State of the Union address, congressional observers said Congress’s aversion to spending likely led him to temper his ambitions.

“There isn’t much appetite now for spending anyway, and I think it would be even less in the context of the super committee discussions,” Frank Maisano, an energy specialist at Bracewell & Giuliani LLP, told BNA in an interview prior to the speech.

Among proposals thought to be under consideration by the White House was creation of an independent Clean Energy Deployment Administration (CEDA) to finance risky energy projects that would be unlikely to obtain traditional financing.

Legislation creating such an agency, which has the support of Sen. Lisa Murkowski (R-Alaska), the ranking member of the Senate Energy and Natural Resources Committee, was introduced by Committee Chairman Jeff Bingaman (D-N.M.) (136 DEN A-6, 7/15/11).

But the collapse of Solyndra LLC, a California solar panel manufacturer that declared bankruptcy after receiving a \$535 million loan guarantee from the Energy Department, likely led Obama to scrap CEDA from his speech, CEI’s Yeatman said. (See related story in this issue.)

“Solyndra has become a pejorative,” said Yeatman, who serves as assistant director for the Competitive Enterprise Institute’s Center for Energy and Environment. “Off the top of my head I can’t image a single green initiative the House would go for . . . especially in the wake of Solyndra.”

Rep. Ed Markey (D-Mass.), a member of the House Energy and Commerce Committee and an advocate of clean energy initiatives, said in an interview that he would not be surprised if Republicans opposed includ-

ing more renewable energy and energy efficiency initiatives.

“They are kind of stuck on the Frankie Avalon energy technologies of the 1950s and ’60s and still don’t understand the job growth potential of the renewable energy sector and that’s our job,” Markey said prior to Obama’s speech. “It’s pretty clear they are opposed to anything President Obama supports.”

Still, Rep. Joe Barton (R-Texas), who previously chaired the House Energy and Commerce Committee,

told BNA he had supported energy efficiency programs in previous energy legislation, such as the 2005 energy policy bill.

“I think it has some political appeal,” Barton said.

By ARI NATTER

The letter from the BlueGreen Alliance is available at <http://op.bna.com/env.nsf/r?Open=smiy-8lhuqc>.

The White House fact sheet is available at <http://op.bna.com/env.nsf/r?Open=jsun-8lhspz>.