

Session V:
**Public Policy, Legislature, &
Regulatory Policy Issues**

Presented by
David L. Bernhardt and
Michael McAdams
for
**How to ReENERGYze
Your Real Estate**

Sept. 22, 2010

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Introduction

- **Renewable Energy Policymaking in Action**
- **A Forecast for Policy Changes**
- **Potential Political Outcomes**

1. Renewable Energy Policymaking in Action

U.S. Energy Policy

The long term solution to the economic aspect of the energy crisis would be **“a massive effort to provide producers an incentive to increase their supply, to encourage consumers to use existing supplies more rationally and to develop alternative energy sources.”**



THE HISTORY OF THE INTERNATIONAL ENERGY AGENCY
THE FIRST TWENTY YEARS

VOLUME I

ORIGINS AND STRUCTURES OF THE IEA

B. Industrial Countries' New Organizational Requirements

1. Lessons of the 1973-1974 Crisis

world-wide demand outrunning the incentives for supply". The long-term solution to the economic aspect of the energy crisis would be "a massive effort to provide producers an incentive to increase their supply, to encourage consumers to use existing supplies more rationally, and to develop alternate energy sources".

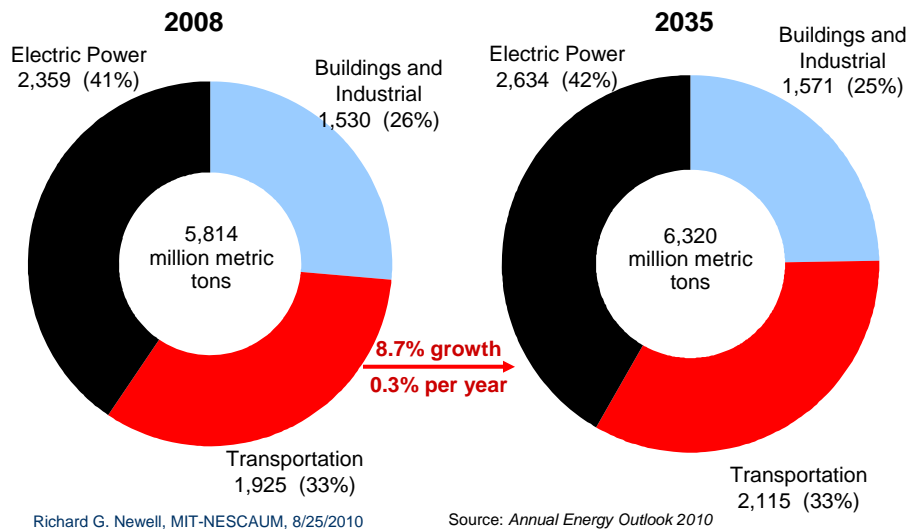
Energy Policy – Largely Consistent Between Administrations

"Our third goal is to promote energy independence for our country, while dramatically improving the environment. I have sent you a comprehensive energy plan to promote energy **efficiency** and **conservation**, to develop cleaner technology, and to **produce more energy** at home." **President George W. Bush *State of the Union address, January 28, 2003.***

"... as we transition to renewable energy, we can and should **increase our domestic production** of oil and natural gas." "I will call on businesses, government, and the American people to meet the goal of **reducing our demand** for electricity 15% by the end of the next decade." "Along with the cap-and-trade program I've proposed, we will **reduce our dangerous carbon emissions** 80% by 2050, slow the warming of our planet, and create five million new jobs in the process." **President Barack Obama (then presidential candidate), *Speech on energy in Youngstown, Ohio on August 5, 2008.***

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Assuming no new policies, growth in U.S. energy-related CO2 is driven by electricity and transportation fuel use

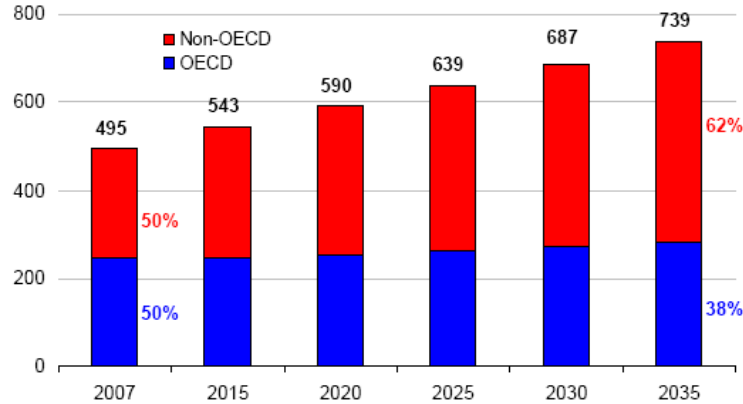


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Global energy consumption grows 49% and non-OECD countries account for 86% of the increase through 2035

energy consumption
quadrillion Btu



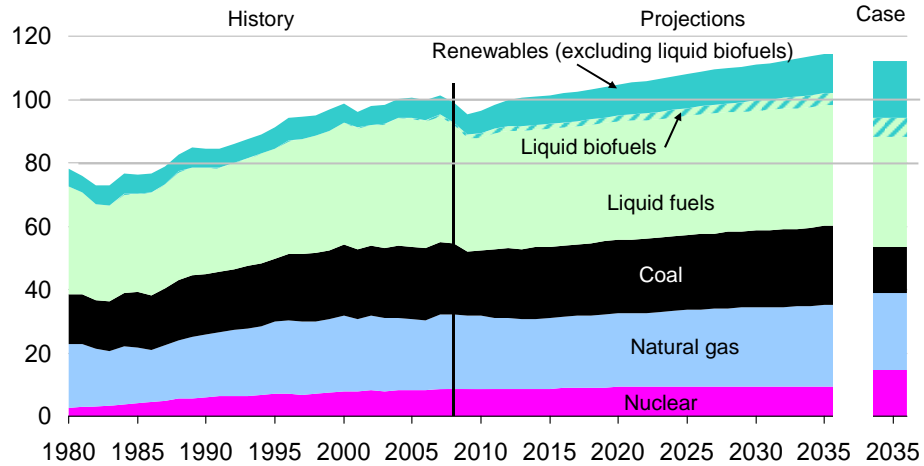
Richard G. Newell, MIT-NESCAUM, 8/25/2010

Source: EIA, *International Energy Outlook 2010*

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Non-fossil U.S. energy use grows rapidly, but fossil fuels still provide 78 percent of total energy use in 2035

quadrillion Btu



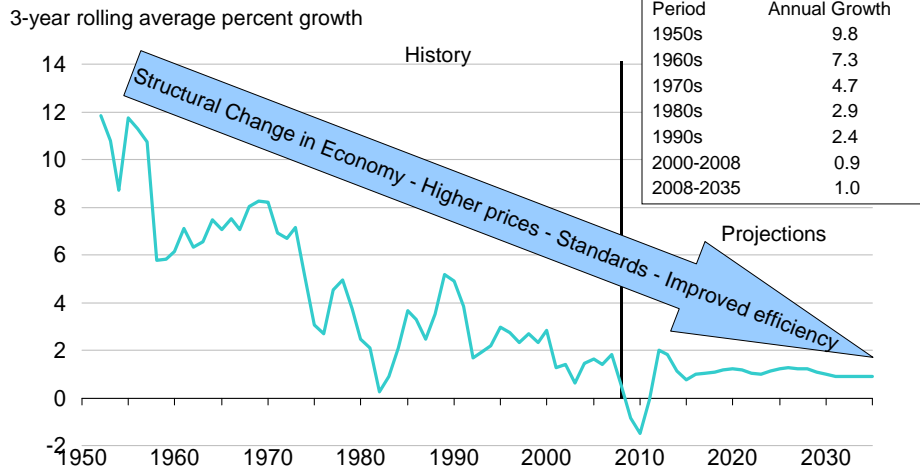
Richard G. Newell, MIT-NESCAUM, 8/25/2010

Source: Annual Energy Outlook 2010; analysis of Kerry-Lieberman American Power Act of 2010 (KL)

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Growth in electricity use continues to slow



Richard G. Newell, MIT-NESCAUM, 8/25/2010

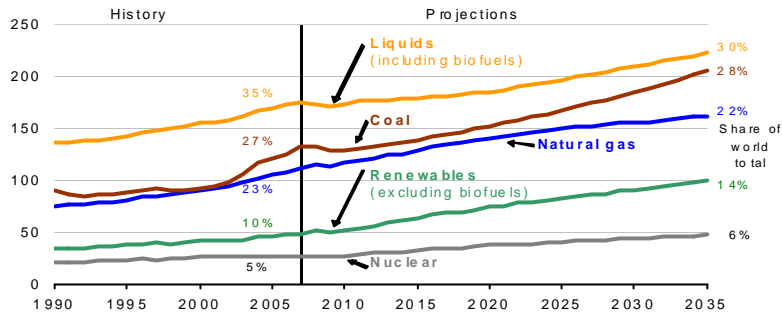
Source: Annual Energy Outlook 2010

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Renewables are the fastest growing energy source (but from a relatively small base)

World primary energy consumption
quad trillion Btu

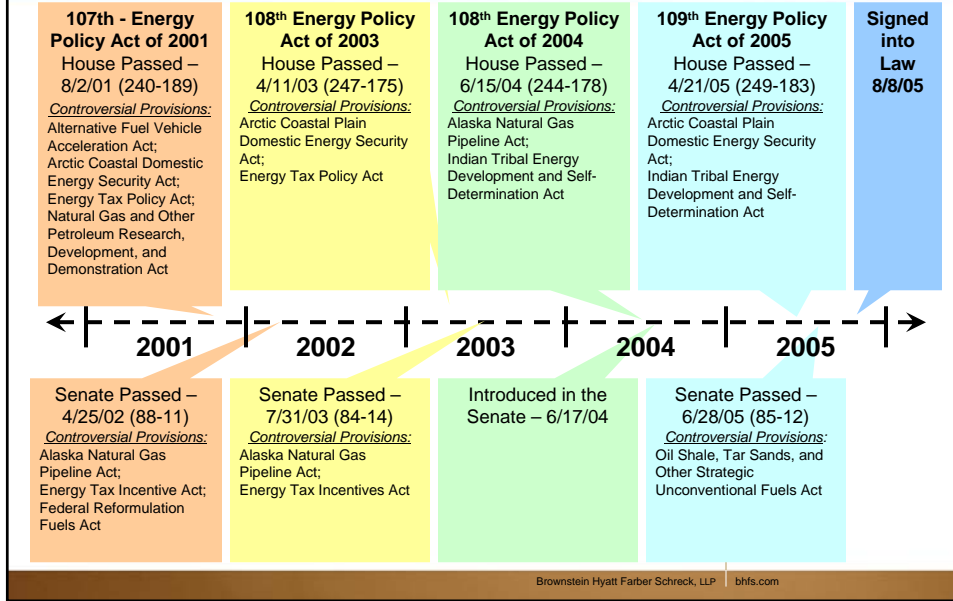


Richard Newell, IAEA, June 9, 2010

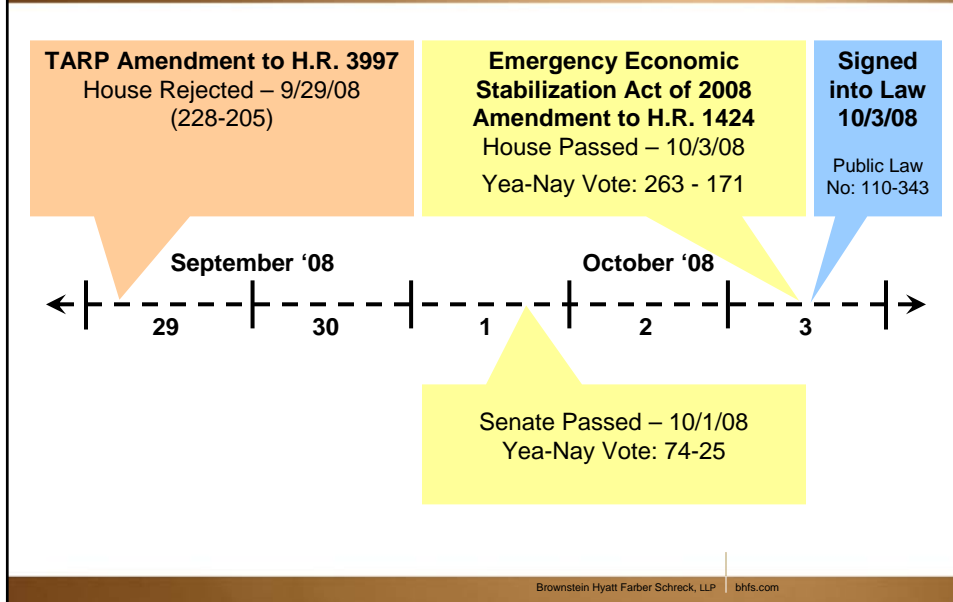
Source: EIA, International Energy Outlook 2010 7

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It often takes time to achieve consensus for an acceptable solution



When the Congress thinks it is facing a crises they can move quickly (i.e. Emergency Economic Stabilization Act of 2008 Timeline)



1. The Perspective of Policymakers

2. A Forecast for Policy Changes

Winter 2009 Headlines

Obama touts his economic recovery plan

UPI.com Jan 16, 2009

The economic recovery "starts with new, clean sources of energy," Obama said. "We know that the possibilities here are limitless."

Does the Energy Industry Really Like 'Green Jobs'?

CQ.com, Jan 2009

Obama To Congress: Economic Recovery 'Begins' With Clean Energy

Environment News Service, Feb 2009

Obama Says Climate-Change Measure Will Transform U.S. Economy

Bloomberg, Jun 2009

Winter 2010 Headlines

Obama Still Wants Congress to Pass Climate Law

Reuters, Dec 2009

Clean Energy Jobs Top Priority in Obama's State of the Union Address

Environment News Service, Jan 2010

Climate Bill Prospects Fade With Republican U.S. Senate Victory

Bloomberg, Jan 2010

Today's Headlines

Obama outlines acceleration of clean-energy economy

Market Watch, Jul 2010

Obama Says Commitment to Clean Energy Will Boost Jobs

Bloomberg, Aug 2010

Energy Funds Went Unspent, U.S. Auditor Says

NYTimes, Aug 2010

Renewable energy: The government piggy-bank

Fortune, August 2010

Roles of Federal Government In Energy Policy

- Executive Branch
 - EOP
 - Federal Agencies
 - Regulations
 - Implementation of funding programs: Loan guarantee, block grants, direct payments.

Roles of Federal Government In Energy Policy

- Legislative Branch
 - Senate Committees:
 - Energy and Natural Resources
 - (Chairman, Jeff Bingaman; Ranking Member, Lisa Murkowski)
 - Environment and Public Works
 - (Chairman, Barbara Boxer; Ranking Member, James Inofe)
 - Finance
 - (Chairman, Max Baccus; Ranking Member, Chuck Grassley)
 - Appropriations
 - (Chairman, Daniel K. Inouye; Ranking Member, Thad Cochran)

Roles of Federal Government In Energy Policy

- Legislative Branch
 - House Committees:
 - Energy and Commerce
 - (Chairman, Henry Waxman; Ranking Member, Joe Barton)
 - Natural Resources
 - (Chairman, Nick Rahall; Ranking Member, Doc Hastings)
 - Appropriations
 - (Chairman, David Obey; Ranking Member, Jerry Lewis)
 - Ways and Means
 - (Chairman, Sander Levin; Ranking Member, Dave Camp)

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Senate Energy & Natural Resources Committee

Chairman Jeff Bingaman (NM)	Lisa Murkowski (AK)
Byron L. Dorgan (ND)	Richard Burr (NC)
Ron Wyden (OR)	John Barrasso (WY)
Tim Johnson (SD)	Sam Brownback (KS)
Mary L. Landrieu (LA)	James E. Risch (ID)
Maria Cantwell (WA)	John McCain (AZ)
Robert Menendez (NJ)	Robert Bennett (UT)
Blanche Lincoln (AR)	Jim Bunning (KY)
Bernard Sanders (I) (VT)	Jeff Sessions (AL)
Evan Bayh (IN)	Bob Corker (TN)
Debbie Stabenow (MI)	
Mark Udall (CO)	
Jeanne Shaheen (NH)	

LEAVING

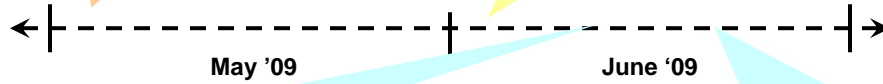
ELECTION IN DOUBT

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Climate Change Legislation in this Congress

Introduced in House – 5/15/09
H.R. 2454

House Committee on Energy and
Commerce issued report – 6/5/09
H. Rept. 111-137



Senate Energy and Natural Resources
Committee Reported out American Clean
Energy Leadership Act of 2009

There are lots of steps left in the
Legislative process.

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1. The Perspective of Policymakers

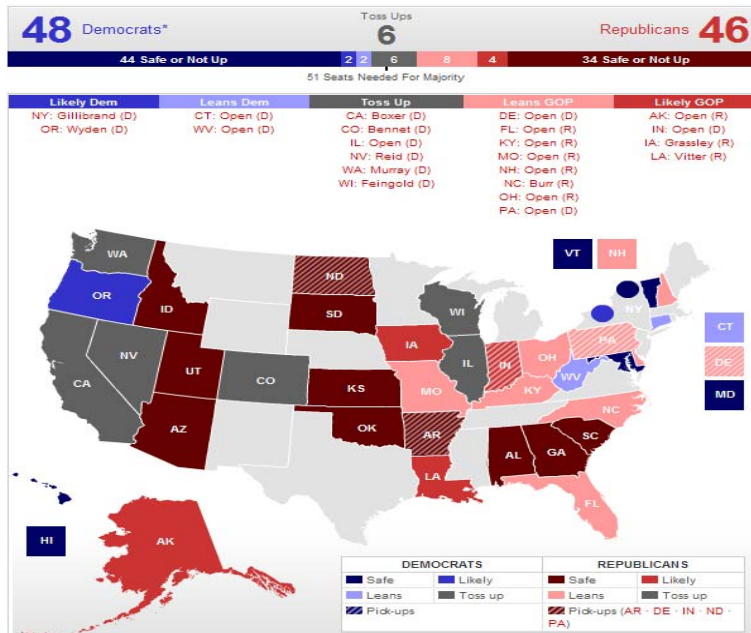
2. Political Environment

3. Potential Election Outcomes

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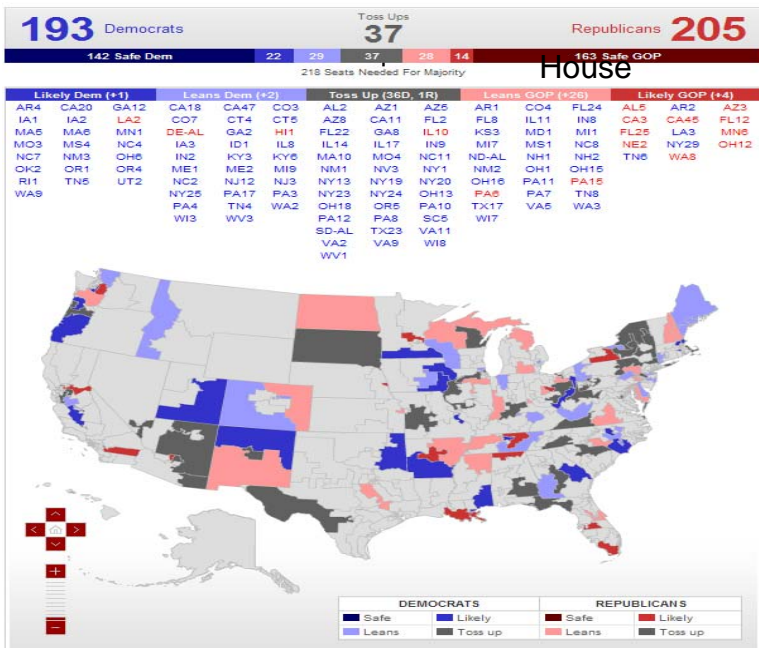
Election Outlook

- September 9, 2010
The Cook Political Report's current outlook is for a Republican net gain of at least 40 seats. A turnover of 39 seats would tip majority status into Republican hands. At this point, only 205 House seats are Solid, Likely or Lean Democratic, while 181 seats are Solid, Likely or Lean Republican, and 49 seats are in the Toss Up column.



* Sen. Joseph Lieberman (ID-CT) & Sen. Bernard Sanders (I-VT) currently caucus with the Democrats.

Source: RealClearPolitics.com http://www.realclearpolitics.com/epolls/2010/senate/2010_elections_senate_map.html



Source: RealClearPolitics.com http://www.realclearpolitics.com/epolls/2010/house/2010_elections_house_map.html