

**Section-by-Section Summary**  
**H.R. 2227, The American Conservation and Clean Energy Independence Act**  
*Rep. Tim Murphy & Rep. Neil Abercrombie*  
 Bipartisan Energy Working Group

**Long Title:** “To greatly enhance America’s path toward energy independence, economic and national security, to conserve energy use, to promote innovation, and to achieve lower emissions, cleaner air, cleaner water, and cleaner land, and for other purposes.”

**Title I- Offshore Leasing and Other Energy Provisions:**  
**Subtitle A – Offshore Leasing**

***Section 101 – Leasing program considered approved***

Immediately begin 2010-2015 OCS Oil and Gas Leasing Program and expedites review process.

***Section 102 – Lease sales***

Expedite lease sales and have the Secretary of the Interior periodically continue to provide lease sales as long as there exists commercial interest.

***Section 103 – Seaward boundaries of States***

Extends the boundaries of coastal states from 3 miles (9 miles for Texas and Florida Gulf) to a uniform 12 miles, which is the territorial limit of the United States. Provides jurisdiction for states to royalty payments to 12 nautical miles for any new exploration projects that may include renewable energy.

***Section 104 – Military operations***

Requires the Secretary of the Interior to coordinate leasing activities with the Secretary of Defense and requires any unresolved issues to be referred in a timely manner to the President for immediate resolution.

***Section 105 – Coordination with Adjacent States***

Provides for federal agency coordination with adjacent states on the construction of pipelines for OCS crude oil, petroleum, or natural gas.

Provides for approval process and allows states to submit alternative plans in a timely manner.

***Section 106 – Gulf of Mexico oil and gas***

Repeals the 125 mile moratorium on gas and oil production in the Eastern Gulf of Mexico.

***Section 107 – Sharing of revenues***

Revenue Distribution of Royalties and Other Revenues Received from Leasing Offshore from amounts received as bonus bids, royalties, rentals, and other sums collected under any qualified lease off shore:

30% for Producing States - Paid to producing states as a percent of payments received with respect to the off shore production;

20% for the Renewable Energy Reserve – To promote the use of cleaner domestic energy resources and alternative fuels; to promote the utilization of energy-efficient products and practices; and to increase research, development, job training programs and deployment of clean renewable energy and efficiency technologies. To promote the development and

deployment of smart transportation systems, energy efficient vehicles, and mass transportation systems that preserve the environment. This fund will offset the alternative energy and conservation tax incentives extended in Title III of this act.

10% for the Federal Treasury – Deposited in the general fund of the General Treasury;

10% for the Environment Restoration Reserve - to conduct restoration activities to improve the overall health of the ecosystems primarily or entirely within our wildlife refuges, national parks, lakes, bays, rivers and streams. Including funding for the restoration and protection of the Great Lakes, the Chesapeake, Delaware and San Francisco Bay/Sacramento San-Joaquin Bay Delta, the Florida Everglades, New York Harbor, Colorado River Basin, and Mississippi River Basin and tributaries and Intercoastal Waterways and adjoining inlets.

10% for the Clean Coal Technology Deployment and Carbon Capture and Sequestration Reserve - To promote research, development, and construction projects through grants, loans, and loan guarantees associated with carbon capture and storage in the production of liquid transportation fuels, electricity, synthetic natural gas and chemical feedstock. Priority for the construction and modernization of plants will be provided to those that implement the most advanced pollution controls to prevent the release of carbon and other greenhouse gas emissions.

8% for the Conservation Reserve - for conservation research, development and deployment programs, such as weatherization, and conservation tax credits and deductions for energy efficiency in the residential, commercial, industrial and public sectors to include Conservation Districts.

5% for the Clean Water Reserve - provide assistance to state, county, and local governments, which may include grants, low and no interest loans, to rebuild and modernize clean water and sewage infrastructure, including energy generating and energy efficient water treatment systems.

5% for the Carbon Free Technology Deployment and Nuclear Energy Reserve – to promote the deployment of carbon free technologies which would include loan guarantees for commercial nuclear power plants, the disposition and recycling/reprocessing of spent fuel from nuclear power plants, and the financing of long term safe storage of spent fuel.

2% for the Low Income Home Energy Assistance (LIHEAP) Program – funding for the program to help the poor and elderly pay for energy needs.

### ***Section 108 – Inventory of offshore energy resources***

Directs the Secretary to promptly prepare an inventory of offshore energy resources of the United States.

Provides the Secretary 180 days to complete the environmental studies necessary to gather an accurate inventory.

### ***Section 109 – Prohibitions on surface occupancy and ensuring appropriate environmental safeguards***

Establish procedures to expedite inventory of off shore energy resources, while preserving all appropriate environmental safeguards.

Prohibits surface occupancy within 10 miles; Prohibits permanent surface occupancy up to 20 miles; opens offshore resources of 20 miles and further; and mandates the mitigation of

the impact of offshore facilities on coastal vistas.

Grandfathers in current offshore facilities.

## **Subtitle B – Expedited Judicial Review**

### ***Section 121 – Definitions***

Defines covered oil and natural gas leasing activities.

### ***Section 122 – Exclusive jurisdiction over causes and claims relating to covered oil and natural gas activities***

Provides the United States Court of Appeals for the District of Columbia Circuit Court jurisdiction on Federal oil and natural gas leasing activities.

### ***Section 123 – Time for filing petition; standing.***

Provides for standing and filing timelines.

### ***Section 124 – Timetable***

Provides the court 120 days to render a judgment, unless both parties agree to an extension.

### ***Section 125 – Limitations on scope of review and relief***

Provides for correction of any violation of federal law.

### ***Section 126 – Presidential waiver***

Provides the President authority to waive requirements if such activity is deemed in the national interest.

### ***Section 127 – Legal fees***

Provides for legal protections in the judicial review process.

### ***Section 128 – Exclusions***

Provides for obligations under issued leases and correction of breach of contract.

## **Subtitle C – Other Energy Provisions**

### ***Section 131 – Elimination of restriction of energy alternatives and energy efficiency***

Allow the use of Woody Biomass as an alternative energy.

Repeals the prohibition on alternative fuels for use by the federal government.

Eliminates the restriction on the number of qualified advanced hybrids that can receive a tax credit.

Requires new source review regulations to provide that routine maintenance and repair do not constitute a modification of an existing source.

### ***Section 132 – Policies regarding buying and building American***

Expresses the Sense of Congress that the Act will result in a health and growing American industrial, manufacturing, transportation and service sector employing American workers.

Provides for regulations and appropriate safeguards to ensure that American laws and regulations are followed in the production of American off shore oil and natural gas.

Provides for Congress to monitor the deployment and personnel and material onshore and offshore to encourage the development American technology and manufacturing to enable U.S. Workers to benefit from this act with good jobs and careers.

***Section 133 – Clean Coal Technology Deployment Grant and Loan Program***

To encourage innovative state of the art coal fired energy plants to reduce and eliminate the emission of CO<sub>2</sub> and other greenhouse gases.

Provides a framework for the creation and implementation of a competitive grant and loan guarantee program for the commercial deployment of clean coal technology to be administrated by the Secretary of Energy, which will include up to \$2 billion in grants and \$3 billion in loan guarantees for each full scale 1,000 MW unit.

**Title II – Modifying the Strategic Petroleum Reserve and Funding Conservation and Energy Research and Development**

***Section 201 – Findings***

Intent of congress to Safeguard the Strategic Petroleum fund and modernize it as recommended by the GAO.

***Section 202 – Definitions***

Define light grade and heavy grade petroleum.

***Section 203 – Objectives***

Modernize the Strategic Petroleum Reserve.

***Section 204 – Modification of the Strategic Petroleum Reserve***

Provides for selling 10 percent of the Strategic Petroleum Reserve and exchange for heavy grade petroleum and setting aside the net proceeds for the Energy Independence Security Fund.

***Section 205 – Energy Independence and Security Fund***

Provides for the Secretary of Energy to spend the funds raised to the following accounts:

- Advanced Research Projects
- Wind Energy Research
- Solar Energy Research
- Low Income Weatherization
- Low Income Home Energy Assistance Program (LIHEAP)
- Marine and Hydrokinetic Renewable Energy
- Advanced Research Vehicles Development
- Industrial Energy Efficiency R&D
- Building/Lighting Energy Efficiency R&D
- Geothermal Energy Development
- Smart Grid Technology Development
- Carbon Capture and Storage
- Nonconventional Natural Gas Production and Environmental Research
- Hydrogen Research and Development
- Energy Storage for Transportation and Electric Power

**Title III – Cleaner Energy Production and Energy Conservation Incentives**

***Section 301 – Extension of renewable energy credit***

Extends the production tax credit for closed-loop biomass, open-loop biomass, geothermal, landfill gas facilities, trash combustion, qualified hydropower, and hydrokinetic renewable energy facilities from 2014 to 2019.

***Section 302 – Extension of renewable energy credit***

Extends the tax credits for wind, small irrigation, and refined coal production from 2014 to 2019.

***Section 303 – Extension of credit for alternative fuel vehicles***

Extends the tax credit for qualified fuel cell motor vehicles, new advanced lean burn technology motor vehicles, new qualified hybrid motor vehicles, and alternative fuel vehicles from 2011 to 2019.

***Section 304 – Extension of alternative fuel vehicle refueling property tax credit***

Extends the tax credit for E-85, natural gas, compressed natural gas, liquefied natural gas, biodiesel or hydrogen refueling property from 2010 to 2019.

***Section 305 – Extension of credit for energy efficiency appliances***

Extends the tax credit for energy efficient dishwashers, clothes washers, and refrigerators from 2010 to 2019.

***Section 306 – Extension of credit of nonbusiness energy property***

Extends the tax credit for energy efficient home improvements from 2011 to 2019.

***Section 307 – Extension of credit for residential energy efficiency property***

Extends the tax credit for energy efficient residential home improvements such as installing new energy efficiency exterior doors and windows, storm windows, skylights, metal roofs, insulation, central air conditioning and heating, geothermal heat pumps, hot water boilers, advanced main air circulating fans, biomass fuel stoves with a thermal efficiency rating of 75% or more from 2017 to 2019.

***Section 308 – Extension of new energy efficiency home credit***

Extends the tax credit for home builders for a new energy efficient home that achieves 50% energy savings for heating and cooling 2010 to 2019.

***Section 309 – Extension of energy efficient commercial buildings deduction***

Extends the tax deduction for owners or designers of new or existing commercial buildings that save at least 50% of the heating and cooling energy of a building from 2014 to 2018.

***Section 310 – Extension of energy credit***

Extends the tax credits for solar, fuel cell, microturbine, geothermal, and small wind property from 2014 to 2019.

***Section 311 – Extension of credit for clean renewable energy bonds***

Extends the tax incentives for issuing bonds for the construction of alternative energy such as wind, closed-loop biomass, open-loop biomass (including agricultural livestock waste), geothermal, solar, municipal solid waste (including landfill gas and trash combustion facilities), small irrigation power and hydropower from 2010 to 2019.

***Section 312 – Extension of credits for biodiesel and renewable diesel***

Extends the tax credit for biodiesel and renewable diesel from 2010 to 2019.

## **Title IV – Increase Diversification and Efficiency of America’s Transportation and Electric System**

### **SUBTITLE A – Diversification of Fuel Source for America’s Short-Haul Transportation System**

#### ***Section 401 - Minimum Federal Fleet Requirement.***

At least 10 percent of federal fleet purchases should be plug-in plug in hybrids by 2012. This increases by 5 percentage points each year until 50 percent is reached. The provision is waived in the event that qualifying cars are not available for purchase.

#### ***Section 402 - Use of HOV Facilities by Light-Duty Plug-In Electric Drive Vehicles.***

Make plug-in hybrids eligible to use HOV lanes without imposition of any fee until there are at least 2 million qualifying vehicles on the road. States may petition to be exempt from the requirement if it degrades the operation of the HOV lanes.

#### ***Section 403 - Recharging Infrastructure.***

Requires the Dept. of Energy to prepare a study that determines numbers, locations, and technical standards of recharging stations and range extension facilities necessary to promote the commercial penetration of Plug in Hybrids (PHEVs) or electric vehicles (EVs) in a town or city. Directs DOE to establish a grant and a loan program for municipalities that install recharging facilities that are consistent with the guidelines in the study.

#### ***Section 404 - Loan Guarantees for Advanced Battery Purchases.***

Establishes a loan guarantee program for any purchaser of at least 5,000 battery systems that are capable of being integrated into vehicles and providing power to the grid.

#### ***Section 405 - Study of End-of-Useful Life Options for Motor Vehicle Batteries.***

Require the DOE to conduct a study of the end-of-useful life options for vehicle batteries, including their use in stationary applications and recycling design standards.

#### ***Section 406 – Study and Demonstration Electrification of Postal Fleet***

Requires Postal Service to conduct a study to see what portion of mail delivery vehicles could be replaced with plug-in hybrid electric vehicles and requires a prototype.

#### ***Section 407 - Maximum Weight Study for Energy Efficiency and Safety***

Requires a study whether oil savings can be achieved in the trucking industry by increasing the maximum weight of trucks without adversely affecting safety.

Current regulations restrict U.S. tractor-trailer lengths and weights to 80,000 pounds, well below European (110,000 lbs.) and Canadian (138,000 lbs.) standards, with resultant impacts on fuel efficiency per load mile.

### **SUBTITLE B – Incentives for Diversification of Transportation**

#### ***Section 421 - Extension of Credit for Medium- and Heavy-Duty Hybrid Vehicles.***

Extends credit for medium- and heavy-duty hybrid vehicles to 2019.

***Section 422: Extension of Credit and Extension of Temporary Increase in Credit for Alternative Fuel Vehicle Refueling Property.***

Extends the 50% tax credit (capped at \$50,000) for alternative fuel vehicle refueling property that dispenses E85, electricity, and natural gas and the 30% tax credit for hydrogen through December 31, 2018

***Section 423 - Extension and Expansion of Credit for New Qualified Plug-in Electric Drive Motor Vehicles.***

Extends credit for new plug-in electric drive motor vehicles through December 31, 2018, and increases the per manufacturer cap from 200,000 to 400,000 vehicles. The credit ranges from a maximum of \$5000 for light-duty vehicles to \$12,500 for vehicles over 26,000 pounds.

***Section 424 – Extension of Credit for certain Plug-in Electric Vehicles.***

Extends tax credit for plug in hybrids from 2012 to 2019.

***Section 425 – Credit for new Qualified Plug-in Electric Drive Motor Vehicles***

Provides tax incentives for large scale purchase of hybrid-automotive grade batteries.

***Section 426 – Tax Credit for Most Efficient Vehicle in Class***

Establishes a \$2,000 tax credit for the most efficient vehicle in each class of vehicles as reported in the EPA’s annual vehicle fuel economy guide.

***Section 427 – Study of Development of Common Standards for PHEVs and EVs Between the United States, Europe and Asia.***

Directs the Secretary of Energy to negotiate common standards between United States, European and Asian automakers for key components of electric vehicles, hybrid-electric vehicles and plug-in hybrid-electric vehicles for which it is important that there be common standards.

**SUBTITLE C – Low Carbon Diversification of Electric System**

***Section 431 - Innovative Low Carbon Loan Guarantee Program.***

This section makes an additional \$50 billion of loan guarantees available in the Department of Energy’s loan guarantee program, which will be available to all eligible technologies.