THE AMERICAN RENEWABLE ENERGY AND EFFICIENCY ACT IS A STEP TO BUILDING OUR CLEAN ENERGY FUTURE

Senator Markey’s legislation to establish a Renewable Electricity Standard (RES) and standalone Energy Efficiency Resource Standard (EERS) would put in place key tools in the fight to address dangerous climate change. In order to meet our generational obligation to cut carbon pollution our nation must transition from polluting fossil fuels to clean energy sources like wind, solar, and energy efficiency. The American Renewable Energy and Efficiency Act will continue to build our clean energy future by setting a national target of 25% renewable energy and a 15% percent energy efficiency standard by 2025. Critically, the American Renewable Energy and Efficiency Act recognizes the importance of ensuring that the nation invests in truly low-carbon alternatives, by requiring that all biomass meets greenhouse gas emission standards as determined by the best available science.

In sum, the American Renewable Energy and Efficiency Act will promote clean energy sources that cut carbon pollution, further expand our powerful clean energy economy which currently employs hundreds of thousands of American workers, drive innovation, and provide a strong market signal that the future lies in clean, renewable energy developed here in America.

KEY PROVISIONS:

- **Strong growth for renewable energy and energy efficiency.** Electric utilities will deliver 25% of their power from renewable energy by 2025, which will more than quadruple the electricity the nation currently gets from clean, renewable sources and significantly reduce carbon pollution from the power sector, and more than double the projections of renewable energy growth from the Energy Information Administration (EIA). Electric and natural gas utilities will develop and expand efficiency programs to help customers get more energy for their dollar of spending by requiring that electric utilities achieve a 15% reduction in energy use and natural gas suppliers achieve a 10% reduction in use.

- **Clear distinction between renewable energy (supply side) and efficiency (demand side).** The industry, programs and costs of efficiency and renewables are quite different and the bill appropriately establishes different requirements for the two types of resources. The bill also recognizes that natural gas customers deserve access to efficiency programs and it requires investments by both electric and natural gas utilities.

- **Biomass power is from low-carbon sources.** The bill ensures that only truly renewable forms of biomass are used. Some forms of biomass energy—like grasses and perennial crops—are low-carbon and renewable, while others such as burning whole trees emit more carbon pollution than fossil fuels. The bill requires that eligible biomass produce 50 percent lower carbon emissions compared with fossil fuels, thus ensuring that electricity from biomass does not contribute to climate change.

- **Electricity sector is broadly covered.** By including retail electric utility service providers who sell at least 1 million megawatt-hours of electricity each year, the bill will deliver increased renewable and efficiency investments by most utilities to the benefit of their customers.

- **State RPS approaches protected.** The bill provides that the federal RES will not interfere with individual states RPSs and associated policies. Absent federal leadership and funding for over a decade, nearly 30 states plus the District of Columbia have set their own RPS goals and accompanying renewable energy development mechanisms to realize the vast economic and environmental benefits afforded by home grown renewable energy development.

- **State funds created to expand renewables and energy efficiency.** Revenues from ACP’s paid by electrical utility providers would go directly to the individual state that the utility serves. These revenues could then be used in that state for energy efficiency and renewable energy projects and deployment programs.

- **Additional support for distributed resources.** The RES offers three times more RECs for electricity generated by distributed renewable sources such as solar photovoltaics (with administrative adjustments over time), and two times the RECs for renewable energy on tribal lands. Depending on location, clean, distributed renewable energy sources offer benefits to both the local electrical grid and local air quality.

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Benefits from Clean Energy:

- Expanding the amount of clean, renewable energy in an environmentally responsible manner helps meet our global warming challenge. Wind energy annually avoids 68 million metric tons of carbon pollution, equivalent to 13 million cars. Wind energy also saves enough water nationwide, by displacing fossil fuel power, to meet the needs of a city the size of Boston. [EA report]

- A potent combination of government policies, private sector investment and American ingenuity and hard work is building creating economic opportunities across the country, from a vibrant solar energy sector in North Carolina and New Jersey, to a strong wind energy industry in Kansas and Iowa, to vibrant clean energy manufacturing hubs throughout the Midwest.

- The U.S. wind industry employs 80,000 Americans, and over two thirds of wind turbine components are manufactured here in the U.S. The solar industry supports 100,000 jobs and has witnessed the world’s largest concentrating solar power projects. Last year, nearly 90,000 businesses and homeowners installed rooftop solar projects. With new job announcements every week and 3.4 million people already employed across the country weatherizing homes, producing high-efficiency air-conditioning systems, installing solar panels and wind turbines, and developing advanced new renewable technology, we’ve shown we know how to do this and now need to keep our momentum going.

- Energy efficiency represents a $1.2 trillion business opportunity that could put nearly a million people to work while lowering our national energy bill by $700 billion per year. This bill requires utilities to begin to capture that resource in order to reduces consumer’s bills, grow the economy, and reduce pollution.

- The electric savings in 2025 should be about 621 TWh, reducing carbon pollution by 439 MMT of CO₂eq, equivalent to the emissions of 124 coal fired power plants. Natural gas combustion will be reduced by about 471 TWh, enough gas to heat 22 million homes, and reduce carbon pollution by 85 MMT of CO₂.