

# A Plan for America's Energy Future



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## A Plan for America's Energy Future

Energy is the most fundamental resource we need as a nation. Energy powers the cars we drive, heats the food we eat, keeps the lights on at home and creates jobs across different sectors of the economy; our economy is powered by plentiful energy. Energy also directly relates to our national security. A stable supply of domestically produced energy benefits our national security by ensuring that our future as a nation is not reliant on Middle Eastern crude oil. How do we manage our energy production and use as a nation? What guiding policies should we have to ensure we are energy secure for generations to come? This 'Plan for America's Energy Future' sets a top-line vision to achieve long-term energy security.

The Energy Information Administration's Annual Energy Outlook 2015 points to some very exciting developments in the United States' energy landscape. The Outlook predicts that United States will continue to reduce oil imports to less than twenty percent of consumption, energy production will continue to lead to manufacturing growth and that renewable electricity generation will increase by seventy-two percent in the next twenty-five years. Just a decade ago it was unthinkable that the United States would be in the position we are today.

***"...now is the time to seize on these developments to ensure that America can achieve and maintain energy security for generations to come."***

As a nation, we must capitalize on this opportunity to ensure continued development of our nation's energy resources. With significant developments in energy production, research and use over the past decade now is the time to seize on these developments to ensure that America can achieve and maintain energy security for generations to come.

This Plan for America's Energy Future lays out a future-oriented energy vision that our country needs by supporting an all-of-the-above energy strategy focusing federal policy on all available energy sources.

This Plan for America's Energy Future:

- Expands energy development on federal lands;
- Supports upgrades to our nation's energy infrastructure;
- Develops initiatives to ensure a skilled workforce in the energy sector;
- Reforms the regulatory process to reduce red tape barriers to energy development;
- Ensures competitiveness for the application of all forms of energy; and
- Restructures the Department of Energy to focus resources on energy research and development

Establishing a comprehensive plan for our country to follow toward energy security is the first step to meeting our energy challenge. Following through on the policies associated with the Plan for America's Energy Future will secure our nation's energy needs for generations to come.

## I. Using All Available Resources

Hydro, solar, wind, natural gas, oil, coal and geothermal sources of energy all play a role in achieving energy security. Our national policies must use each of these sources as part of a diverse energy portfolio. We should not pick winners and losers among energy sources but must include all sources as a part of our energy makeup. Having a diverse energy portfolio ensures a threat to one energy source doesn't impact the entire grid. This diversity of sources and stability benefits families, businesses and manufacturers with more stable and lower energy prices.



**Renewables:** Renewable energy is a growing contributor to power generation and fuel diversity in America today. Since 2005, production of renewable energy has grown by over sixty percent. These trends can continue as Americans' energy needs grow. To ensure we encourage growth of these sources of energy Congress should:

- 1) Use the framework established in the **Revitalize American Manufacturing and Innovation Act** to support research and development to improve the application of renewable energy to the electric grid through technologies such as batteries, fuel cells and compressed air energy storage.
- 2) Allow renewable energy projects to qualify for Master Limited Partnerships to improve financing capabilities, as access to capital is important to get new businesses up and running. Master Limited Partnerships provide a beneficial tax structure for such projects but cannot currently be access by renewable projects. **HR 2883 – Master Limited Partnerships Parity Act (Rep. Poe, R-TX)** will correct this issue for renewable projects to allow them to access this tool.
- 3) Improve permitting and licensing for renewable projects by making the National Environmental Policy Act and Endangered Species Act process more transparent, streamlined and less prohibitive to new projects:

One of the biggest inhibitors to siting new projects can be the regulatory process and the very lengthy time taken for review of projects. Congress should assess the current process and provide solutions to ensure unnecessary regulations or procedures are not delaying the siting of renewable projects on federal lands.

- 4) Provide certainty in the tax code for renewable projects so investors and companies can make long term business decisions:

Too often Congress hops from one program expiration to the next. For businesses to make decisions they need some certainty regarding what the outlook is for the future and such outlook is based on permanent policy. Currently, the Production Tax Credit for wind has expired and the Investment Tax Credit for solar is set to expire in 2016. Congress should provide a more clear outlook, with an eventual phase out of such policies to give investors and companies in the wind and solar industries some certainty moving forward.

## Using All Available Resources (cont'd)

**Oil and Natural Gas:** Oil and natural gas will continue to compose a significant portion of our energy use in the near term. Advances in production technologies have enabled the United States to become a top energy producer in the world. This development has resulted in a positive impact on reducing imports of resources from the Middle East and lowering costs for families and businesses. Electricity generation from natural gas has grown over sixty percent in the last five years alone and is also having positive environmental impacts on reducing emissions. We can continue to build on this growth by:

- 1) Opening up more federal land, on and offshore, for oil and natural gas development with State revenue sharing:

Currently we are using only fifteen percent of our offshore areas for resource development. While lease sales have been announced in the Mid-Atlantic in 2015, we can expand oil and gas development to additional regions and establish a similar revenue sharing plan as exists with states in the Gulf of Mexico. In addition, federal lands onshore can be better used for resource development through additional lease sales and an improved permitting process. In 2013 the House passed **HR 1965 - Federal Lands Jobs and Energy Security Act (Rep. Lamborn, R-CO)** begins to address these issues and improve the development of America's resources.

- 2) Allowing States to elect to regulate oil and gas development on federal lands within their borders:

States are best suited to regulate energy development within their borders. They should be put in a position to do the same on federal land within their state. Duplicative permits between the public and private land within a state and the federal government can make the process difficult and cumbersome. **HR 1647 – Protecting States' Rights to Promote American Energy Security Act (Rep. Flores, R-TX)** gives states the authority to regulate oil and gas development within their borders to provide a more clearly defined regulatory framework for resource development.

- 3) Encouraging exports of crude oil and natural gas:

The energy trade deficit in the United States has been cut in half since 2008 and that progress will continue as domestic production of oil and natural gas continues. Natural gas export facilities are already being authorized by the Department of Energy and the same can happen for crude oil. The House-passed **HR 702 – to adapt to changing crude oil market conditions (Rep. Barton, R-TX)** advances this effort. Not only will exporting our crude oil benefit the trade deficit, it will also put the United States on a better strategic footing on the geopolitical stage. While many of our allies rely on regimes in Russia and the Middle East for their energy needs, the United States can provide a positive counterweight by bringing American made energy to the world market.

## Using All Available Resources (cont'd)

**Coal:** Coal is a critical component of the reliability and security of our electric grid, accounting for over thirty percent of electricity production. Keeping coal in the mix is critical for grid stability and reliability. A stable and reliable grid reduces the risk of rolling blackouts which can have negative economic and national security implications. Policies should be put in place to maintain coal's contributions to the electric grid while other forms of energy are stabilizing their capabilities. Such policies include:

- 1) Making investments in research through the Department of Energy focusing on resource efficiency, upgrading emissions controls and advancing next generation technology.
- 2) Establishing a sensible regulatory framework which takes commercially available emissions reduction technology into consideration for coal-fired electric generation:

While the Environmental Protection Agency moves ahead with the most stringent regulations on new and existing power plants ever put into effect, it is important the regulations take into account existing commercialized technology. In 2014 the House passed **HR 3826 - Electricity Security and Affordability Act (Rep. Whitfield, R-KY)** to ensure that commercially available technology is considered in regulations affecting power plants.

**Nuclear:** Nuclear power generation has provided efficient, affordable and no-emission electricity since it was added to the electric power sector and currently accounts for about one-fifth of our nation's electric power production. A key issue in maintaining nuclear energy as part of our nation's energy make up is to develop a solution to dealing with nuclear waste. To address this Congress must:

- 1) Identify solutions for our nation's nuclear waste:

In 1987, Congress designated Yucca Mountain as the nation's nuclear waste repository. We must cut through the political posturing and advance a solution to this issue which meets America's growing nuclear waste needs. The longer we wait, the more difficult it will be to resolve the issue.

- 2) Ensure the regulatory process for nuclear energy protects safety and security while not putting unnecessary requirements for new and existing facilities:



Sensible regulation must properly analyze the costs and benefits of the regulation. These regulations should have a clear effect of protecting public safety, environmental safety and national security. An analysis of the regulatory framework set in place by the Nuclear Regulatory Commission will help Congress understand how best to support the role of nuclear power generation as part of our nation's electricity mix.

## II. Improving How We Use Our Energy

Focusing on using the energy we have in the most efficient manner, limiting waste and reducing the costs of energy consumption for consumers is critical. Encouraging better standards for buildings and appliances while investing in new technologies to improve energy efficiency will help ensure that our nation will be energy secure for generations to come. To do so Congress should enact policies which:

- 1) Establish accreditation and best practices for private sector investment in building, lighting and appliance efficiency:

Collaborating between government and the private sector on energy efficiency practices will help bring the best methods, technologies and energy uses to light and will benefit the whole industry. The ideas set forth by Senators Portman (R-OH) and Shaheen (D-NH) have begun this effort.



- 2) Improve energy usage in federal buildings:

One area where the federal government can set an example is within its own buildings. The current plan for federal buildings is to reduce energy usage by two and a half percent per year through 2025. This can be accomplished with smart building practices, energy efficient window and water heater retrofits and the use of energy savings performance contracts.

- 3) Provide a supportive tax framework for energy efficiency efforts:

We can incentivize better use of our energy resources at locations such as power plants. Combined heat and power can be a useful tool in capturing heat for use at the same time as generating power. **HR 2657 - Power Efficiency and Resiliency Act (Rep. Reed, R-NY)** establishes a tax credit for combined heat and power systems to encourage their application to power plants.

- 4) Make the Research and Development tax credit permanent:

Research and development is critical for many sectors of the economy and policies should encourage private companies to engage in these activities. Energy efficiency technologies are no different. The House-passed **HR 880 the American Research and Competitiveness Act (Rep. Brady, R-TX)** will make permanent the Research and Development tax credit to provide certainty in the tax code and encourage private industry to engage in next generation technology.

### III. Updating How Energy is Delivered

In a constantly changing and growing economy it is important that energy can be delivered efficiently and effectively to consumers. A modern infrastructure network will help keep energy costs low to households and businesses while helping to prevent regional blackouts, which threaten economic and national security. Energy is delivered through complex markets based on capacity and region, meaning that it is important to be effectively connected to our neighbors on both borders. Congress can encourage an efficient energy infrastructure network by:

- 1) Streamlining the permitting process for interstate natural gas pipelines:

The permitting process for siting interstate natural gas pipelines lacks proper enforcement mechanisms for the Federal Energy Regulatory Commission (FERC) to make a final determination whether a pipeline may be sited or not. **House-passed HR 161 - Natural Gas Pipeline Permitting Reform Act (Rep. Pompeo, R-KS)** gives FERC the proper authority as lead agency to make permitting decisions.



- 2) Improving the network of cross-border energy infrastructure with Canada and Mexico:

Canada and Mexico are important partners in energy trade. Because of the challenges involved in moving oil, natural gas or electricity across the continent, it is important that we have the ability to effectively and efficiently make decisions on cross border permitting. **S. 1228 - North American Energy Infrastructure Act (Sen. Hoeven, R-ND)** ensures stability in delivery of energy by improving the administrative permitting process for siting these projects.

- 3) Strengthen and secure the grid:

As our economy grows and energy demand increases, more infrastructure is required to bring electricity to homes and businesses. As with siting natural gas pipelines, there are difficulties in efficiently constructing the adequate infrastructure needed to allow for economic growth and limit power shortages. Congress must be sure any burdensome or duplicative requirements are reviewed and the process is more efficient. In addition, the electric grid must be secure from cyber and physical attacks, which threaten our national security and economy. Our national security agencies must be able to effectively and safely communicate with grid operators and utilities to thwart any threats to the grid.

## IV. Building a 21<sup>st</sup> Century Workforce

Our American workforce is second to none and we can compete with anyone in the world. Energy and manufacturing industries provide good paying jobs and career opportunities. Engaging high-school and college students with Science, Technology, Engineering and Mathematics (STEM) will help prepare the workforce of tomorrow in important fields to realize our goal of energy security.

Policies to advance this effort include:

1) **HR 1020 – STEM Education Act of 2015 (Rep. Smith, R-TX).**

This legislation will help ensure that education and workforce development programs are engaging current and prospective students and matching them with the path our economy is taking while expanding recognition for top educators in the fields of science, technology, engineering and math (STEM).

2) **HR 1806 – America COMPETES Reauthorization Act of 2015 (Rep. Smith, R-TX).**

The America COMPETES Act will help coordinate STEM activities across federal agencies and establish a process for soliciting outside input from educators and industry professionals to provide information for planning federal investments in the field.



3) **HR 3435 - Leveraging and Energizing America's Apprenticeship Program Act (Rep. Reed, R-NY).**

This legislation provides a tax-credit for employers who hire apprentices. Apprenticeships are meaningful experiences for many prospective industry professionals. The skills and knowledge gained in apprenticeships can help boost career prospects for new entrants into the workplace and ensure that our workforce is ready to propel the next century of energy industries.

## V. Reducing Regulatory Burdens

Burdensome regulations are a deterrent to growth and development. Without proper transparency and oversight of the regulatory process agencies can hide many of the direct and indirect costs associated with their regulatory actions. Congress has acted over the past five years to provide accountability and clarity for all industries, with the purpose of reducing duplication and getting Washington out of the way of growing our economy.

To address these issues the House of Representatives has:

- 1) Passed **HR 427 - Regulations for the Executive in Need of Scrutiny (REINS) Act (Rep. Young, R-IN).**

This bill will make elected officials, instead of bureaucrats, responsible for overseeing regulations which could have an impact on energy, businesses, jobs and all Americans.

- 2) Passed **HR 185 - the Regulatory Accountability Act of 2015 (Rep. Goodlatte, R-VA).**

The Regulatory Accountability Act brings the public and more impacted stakeholders into the regulatory process by providing a process for administrative hearings and advanced notice of regulations.

- 3) Passed **HR 50 - Unfunded Mandates Information and Transparency Act of 2015 (Rep. Foxx, R-NC).**

This legislation requires agencies to work with state and local governments, as well as stakeholders in the private sector, when developing rules and ensures proper costs and benefits are taken into account before finalizing regulations.

## VI. Refocus the Department of Energy's Mission

A simple reorganization of the Department of Energy can ensure that taxpayer resources are being used with a clear direction towards energy security now and in the future, rather than having Washington, DC pick winners and losers. By refocusing the Department's core mission to basic research, technology development and commercial deployment, the Department can be used to identify needs and connect private sector investment, educational curriculum, workforce development organizations and research institutions to encourage the creation of the next generation of energy sources and technologies.

To refocus the mission on energy research the Department should be restructured to:

- Shift nuclear waste cleanup to the U.S. Army Corps of Engineers.
- Move defense-related nuclear activities to the Department of Defense.
- Reorient inner-Department offices to focus on energy use, rather than energy type.
- Carry out public-private innovation hubs akin to the **Revitalize American Manufacturing and Innovation Act** to focus on developing the next generation of energy technologies in all sectors.

## VII. Conclusion: Planning for America's Energy Future

I believe that America's best days are still ahead of us. A key component of that is having an energy strategy that ensures we are preparing for the energy needs of tomorrow. Without a guiding vision which focuses on discovering and creating the next generation of energy sources and technologies, we are limiting the opportunities we have for economic growth and job creation.

This 'Plan for America's Energy Future' takes a fair approach to energy policy by including all available resources, focusing on developing the energy technologies of tomorrow and ensuring that our workforce is trained and prepared for the opportunities on the horizon. We can lower costs for businesses and families with an all-encompassing strategy.

This effort will protect our security and economy as we become energy leaders, rather than followers. This plan will support manufacturing and bring jobs back to America. This plan will provide relief for families trying to budget for their own futures by lowering energy costs and creating more career opportunities for their children and grandchildren.

Now is the time for us to unite and meet our energy needs. Not just for current Americans but future Americans as well.

Sincerely,

A handwritten signature in black ink, appearing to be 'Tom Reed', written in a cursive style.

Tom Reed  
Member of Congress

## Appendix - References to Legislation

**H.R. 2283 [114<sup>th</sup>]** - Master Limited Partnerships Parity Act

Rep. Poe (R-TX)

Current status: Referred to House Committee on Ways & Means

Page 2 – Renewables

**H.R. 1965 [113<sup>th</sup>]** - Federal Lands Jobs and Energy Security Act of 2013

Rep. Lamborn (R-CO)

Current Status: Passed House (228-192) on 11/20/13

Page 3 – Oil and Natural Gas

**H.R. 702 [114<sup>th</sup>]** - To adapt to changing crude oil market conditions

Rep. Barton (R-TX)

Current Status: Passed House (261-159) on 10/09/15

Page 3 – Oil and Natural Gas

**H.R. 3826 [113<sup>th</sup>]** - Electricity Security and Affordability Act

Rep. Whitfield (R-KY)

Current Status: Passed House (229-183) on 3/06/14

Page 4 - Coal

**H.R. 2657 [114<sup>th</sup>]** - POWER Act

Rep. Reed (R-NY)

Current Status: Referred to House Committee on Ways & Means

Page 5 – Improving How We Use Our Energy

**H.R. 880 [114<sup>th</sup>]** - American Research and Competitiveness Act of 2015

Rep. Brady (R-TX)

Current Status: Passed House (274-145) on 5/20/15

Page 5 – Improving How We Use Our Energy

**H.R. 161 [114<sup>th</sup>]** - Natural Gas Pipeline Permitting Reform Act

Rep. Pompeo (R-KS)

Current Status: Passed House (253-169) on 1/21/15

Page 6 – Updating How Energy is Delivered

**S. 1128 [114<sup>th</sup>]** - North American Energy Infrastructure Act

Sen. Hoeven (R-ND)

Current Status: Referred to Senate Committee on Energy and Natural Resources

Page 6 – Updating How Energy is Delivered

**H.R. 1020 [114<sup>th</sup>]** - STEM Education Act of 2015

Rep. Smith (R-TX)

Current Status: Signed into law on 10/07/15

Page 7 – Building a 21<sup>st</sup> Century Workforce

**H.R. 1806 [114<sup>th</sup>]** - America COMPETES Reauthorization Act of 2015  
Rep. Smith (R-TX)  
Current Status: Passed House (217-205) on 5/20/15  
Page 7 – Building a 21<sup>st</sup> Century Workforce

**H.R. 3435 [114<sup>th</sup>]** - LEAP Act  
Rep. Reed (R-NY)  
Current Status: Referred to House Committee on Ways & Means  
Page 7 – Building a 21<sup>st</sup> Century Workforce

**H.R. 427 [114<sup>th</sup>]** -Regulations from the Executive in Need of Scrutiny Act of 2015 (REINS)  
Rep. Young (R-IN)  
Current Status: Passed House (243-165) on 7/28/15  
Page 8 – Reducing Regulatory Burdens

**H.R. 185 [114<sup>th</sup>]** - Regulatory Accountability Act of 2015  
Rep. Goodlatte (R-VA)  
Current Status: Passed House (250-175) on 1/13/15  
Page 8 – Reducing Regulatory Burdens

**H.R. 50 [114<sup>th</sup>]**, Unfunded Mandates Information and Transparency Act of 2015  
Rep. Foxx (R-NC)  
Current Status: Passed House (250-173) on 2/04/15  
Page 8 – Reducing Regulatory Burdens