



News from

Congressman Ron Kind

REPRESENTING WISCONSIN'S THIRD
CONGRESSIONAL DISTRICT

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Rep. Kind Unveils Bold New Energy Plan to Address the Energy Needs of Today & Tomorrow

EmPOWERing America: Taking control of our energy future

Washington, DC – Upon releasing a report showing that gasoline prices in Wisconsin have risen 54 percent - five times faster than the rate of inflation – in the last five years, U.S. Rep. Ron Kind (D-WI) unveiled his 21st century energy strategy to meet America's current and future energy needs, relieve the price pinch on consumers, reduce dependence on foreign oil, and reenergize our rural communities. At the core of Rep. Kind's energy plan is comprehensive legislation –the Bioenergy Innovation, Optional Fuel Utilization, and Energy Legacy (BIOFUEL) Act of 2006 (HR 5372) and the New Apollo Energy Act (HR 2828) - to challenge America to tap its natural resources, innovative spirit, and human capital to pursue a new era of security, prosperity and clean technology.

“Wisconsin families are paying a small fortune for an irresponsible Republican energy policy that has failed to reduce our dependence on foreign oil,” stated Rep. Kind. “Our country needs a comprehensive and balanced energy plan with 21st century solutions to meet our current and future energy needs. By marshalling our technological capital, utilizing our natural resources, and tapping the ingenuity of American people, we can chart a new course towards an independent and sustainable energy future.”

Earlier this year, Rep. Kind held a roundtable with area farmers to discuss the promising role of agriculture in powering America's energy future. Since then, Kind has worked on producing legislation that will help America establish a renewable biofuel source within a decade. Towards that goal, the BIOFUEL Act includes measures to raise the renewable fuels mandate, require automakers to increase the percentage of flex-fuel vehicles, increase investment in biofuels research, and provide federal incentives to help locally-owned biofuel facilities compete with large oil companies. The New Apollo Act compliments BIOFUEL with new and innovative tax incentives, market-based assistance, and energy performance standards to develop new energy technologies.

“I believe it is time our nation commits itself to kicking the fossil fuel import habit by replacing Middle East oil with Midwest grain and other ‘home grown’ renewable alternatives, such as ethanol and biodiesel,” stated Rep. Kind. “Our country's agricultural fields are an untapped resource with the potential to fuel the future. We have the resources and the interest right here in Wisconsin to help move us closer to energy independence, a goal which will benefit consumers, farmers, businesses, rural economies, and the environment.”

(more)

The gasoline report released by Rep. Kind shows the rapid increase of gasoline prices in western Wisconsin and how drivers have been impacted. The cost of gasoline has risen by 54 percent (from \$1.88 per gallon in May 2001 costs to \$2.90 per gallon today) - a price increase that is five times faster than the rate of inflation over that period. In 2006, Wisconsin families will use an estimated 2.7 billion gallons of gasoline-and will pay a total of \$3.1 billion more than they would have paid in 2001; the average two-car family in Wisconsin will pay almost \$1,600 more during 2006 than they would have paid in 2001. The full report as well as more details on Congressman Kind's energy plan can be viewed on Rep. Kind's Web site: www.house.gov/kind.

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Bioenergy Innovation, Optional Fuel Utilization, and Energy Legacy (BIOFUEL) Act of 2006

A bio-based economy is not a far-fetched idea anymore, it is the reality. The Bioenergy Innovation, Optional Fuel Utilization, and Energy Legacy (BIOFUEL) Act of 2006 (HR 5372) will help America establish a renewable biofuel source within a decade. The package includes measures to raise the renewable fuels mandate, require automakers to increase the percentage of flex-fuel vehicles, increase investment in biofuels research, and provide federal incentives to help locally-owned biofuel facilities compete with large oil companies.

Key Features

1. Increase Production of American-made Biofuels

- Doubles the percentage of renewable fuels sold in America in six years
- Makes sure that biodiesel and cellulosic sources, such as rice straw, are a key part of that increase
- Extends the tax credit for ethanol and biodiesel through 2015 and increases tax benefits to small biofuel producers

2. Expand the Market for and Distribution of Biofuels

- Increases the percentage of "flex-fuel" vehicles that run on ethanol, or gasoline
- In seven years, 75% of all cars made in America would be flex-fuel cars
- Increases the number of gas stations offering ethanol (E-85) and biodiesel through new incentives and requirements

3. Invest in Biofuels Research and Development

- Invests in biofuels research to make biofuel production more efficient and environmentally sound
- Spurs cutting-edge research to develop new processes for turning other farm products such as rice straw, switchgrass, and woodchips into biofuels
- Fosters new vehicle efficient technologies through research and development

4. Encourage Local Domestic Ownership

- Provides federal incentives to smaller ethanol and biofuel plants, so that independent, locally-owned facilities that produce biofuels can grow and thrive.

The New Apollo Energy Act of 2006

The New Apollo Energy Project (HR 2828) is a bold legislative initiative reminiscent of John F. Kennedy's call for a mission to the Moon - a marshalling of the resources of the federal government in order to address some of the most pressing issues of our time. Specifically, Apollo provides a vision for solving the following problems: 1) breaking our addiction to oil from the Middle East, thereby improving our homeland and national security; 2) creating millions of high-paying jobs; and 3) addressing the environmental problem presented by global warming.

The legislation will accomplish this by calling for significant tax incentives for the development and manufacture of domestic clean energy technologies, investments in efficient infrastructure, and regulatory oversight.

Key Features

Oil Independence:

- An oil savings provision that requires the President use existing authority to reduce daily domestic oil consumption by 600,000 barrels by 2010; 1,700,000 barrels by 2015; and 3,000,000 barrels by 2020. These numbers are roughly equivalent to the amounts of oil imported from Iraq, Saudi Arabia, and the Persian Gulf, respectively.
- \$10 billion in tax credits for the automotive and \$1.5 billion aerospace industries to develop new fuel efficient autos and planes; retool existing plants; and construct new plants to manufacture qualifying vehicles.
- Tax credits for purchasing hybrid, alternative fuel, clean diesel, and fuel cell vehicles.
- Loan guarantees and investment tax credits for the construction of cellulosic biomass ethanol and biomethanol facilities.
- Tax credits for the installation of alternative refueling properties.
- Tax credits for the retail sale of alternative fuels.
- A renewable fuels standard set at 8 billion gallons by 2013. This includes numerous environmental protections to make sure Clean Air Act standards are maintained.

Jobs:

- Federal support for the commercialization of clean technologies.
- \$10.5 billion in tax credits for research into and construction of facilities to build advanced clean technologies.
- Improved coordination of technology transfer activities.
- Establishment of a clean energy technology export program.
- Setting up an international energy technology deployment program.
- A government funded risk pool for the qualifying clean energy technologies.
- A federal clean energy use requirement.
- Renewable energy lending requirements for the Export-Import Bank.
- Grants to improve mass transit programs.
- Grants for sewer and water energy improvements.
- Billions in new federal research into advanced clean technologies, fusion power, and extended reach drilling.

Clean Energy Economy:

- A tradable greenhouse gas permit scheme that closely resembles McCain-Lieberman's Climate Stewardship Act. In 2010 the bill would cap carbon dioxide emissions at 2000 levels. This would also include an auction for 5-10% of the permits for new entrants.
- Federal support for the commercialization carbon sequestration, coal gasification, and low emission coal technologies.
- Credits for the installation of clean coal technologies.

- Billions in federal research into new clean coal technologies and carbon sequestration.
- A Renewable Portfolio Standard requiring 10% renewable electricity production by 2021. There is a cost cap set at 3 cents per kilowatt hour. Monies from the cost cap are used to fund grants for the construction of renewable electricity generation facilities in states lacking renewable resources.
- Loan guarantees, R&D credits, and investment tax credits for the construction of renewable electricity generation facilities.
- A ten year extension of current credit for electricity generated from clean sources, and expansion of the credit to include ocean power (wave, current, and thermal).
- An order for Secretary to create a credit for the erection of new electricity transmission lines to get power from remote clean resources.
- Credits for residential use of real-time monitoring systems.
- Credits for distributed energy generation and demand management property in residences and businesses.

Grid Reliability and Consumer Protections:

- Establishes electric grid reliability standards.
- Requires the President to fill the Strategic Petroleum Reserve.
- Increases regulatory oversight of energy trading markets.
- Increases funding for LIHEAP and weatherization projects.
- Establishes a national energy efficient home mortgage association.
- Creates national net metering and interconnection standards.
- Implements energy efficiency standards for certain appliances.
- Requires the Secretary of Energy to issue Energy Star regulations for solar water heating devices.
- Federal support for the commercialization carbon sequestration, coal gasification, and low emission coal technologies.

Revenue Neutrality:

Apollo is a revenue neutral bill. Apollo is expected to cost around \$46 Billion while generating an equal amount of revenue through closed tax shelters and the auction of carbon dioxide allowances to new entrants. Apollo also authorizes an additional \$87 Billion.

Other Provisions:

- Tradable renewable resource credits for public utilities.
- Modification of the credit for qualified electric vehicles
- Credit for the construction of energy efficient homes and commercial properties.
- Credit for energy efficient appliances.
- Credit for energy efficient recycling and remanufacturing units.
- Credit for fly-wheel properties.
- Establishment of a new energy commission to certify new technologies that qualify for credits under Apollo.
- Loans for schools to buy high-efficiency vehicles.
- Alternative fuel vehicle purchase requirement for government agencies.
- Requirement that government agencies reduce energy consumption.
- Ethanol-blended gasoline and bio-diesel government agency purchase requirement.
- Requirement that Secretary of Interior standardize right-of-way requirements for wind projects.
- Permanent extension of the Energy Savings Performance Contracts.