

H.R. 6709

National Conservation, Environment and Energy Independence Act

Summary

Title I- Offshore and Onshore Leasing and Other Energy Provisions:

- Repeals all federal prohibitions (moratoria) and Presidential withdrawals against the expenditure of appropriated funds to conduct leasing and preleasing activities on federal lands.
- Repeals the 125 mile moratorium on gas and oil production in the Eastern Gulf of Mexico and the Appropriations' prohibitions on the development of oil shale.
- Allows the use of woody biomass from federal lands for the production of renewable energy.
- Repeals prohibitions preventing federal agencies from entering into contracts for procurement of an alternative or synthetic fuel.
- Repeals the limitation on the number of new qualified hybrid and advanced lean burn technology vehicles eligible for the alternative vehicle tax credit.

Moratoria and State Approval: Prohibits leasing and leasing activities within 25 miles of the coastline of a State and allows coastal states to opt-out of production from 25 to 50 miles offshore within one year of passage of the act.

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.

Revenue Distribution of Royalties and Other Revenues Received (estimated value \$2.6 Trillion) from Leasing of Offshore Lands Opened by the Act:

- 30% to the General Fund of the U.S. Treasury (\$780 billion).
- 30% to Producing States (\$780 billion).
- 8% for the Conservation Reserve (\$208 billion).
- 10% to the Environment Restoration Reserve (\$260 billion).
- 15% to the Renewable Energy Reserve (\$390 billion).
- 5% to the Carbon Capture/Sequestration and Nuclear Waste Reserve (\$130 billion).
- 2% to the Low Income Home Energy Assistance (LIHEAP) Program (\$52 Billion).

The Conservation Reserve offsets the cost of legislation enacted after the date of the enactment of the National Conservation, Environment and Energy Independence Act for conservation 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.

The Environment Restoration Reserve offsets the cost of legislation enacted after the date of the enactment of the National Conservation, Environment and Energy Independence Act 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 with emphases on 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 Intercoastal Waterways and adjoining inlets.

The Renewable Energy Reserve offsets the cost of legislation enacted after the date of the enactment of the National Conservation, Environment and Independence Act to accelerate 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.

The Carbon Capture and Sequestration Reserve offsets the cost of legislation enacted after the date of the enactment of the National Conservation, Environment and Energy Independence Act to promote research and development projects associated with carbon capture and storage in the production of liquid transportation fuels, electricity, synthetic natural gas and chemical feedstock and for the disposition and recycling/reprocessing of nuclear waste from nuclear power plants.

Buying and Building American- Expresses the intent of Congress that the Act will result in a healthy and growing American industrial, manufacturing, transportation and service sector employing American workers. Includes language to ensure that American workers are given first consideration for jobs arising from new offshore production.

Title II- Cleaner Energy Production and energy Conservation Incentives:

Amends the Internal Revenue Code of 1986 to provide tax extensions and tax deductions of 5 years or greater for the production of renewable energy and energy conservation including facilities, alternative fuel vehicles and vehicle refueling property, energy efficient appliances, nonbusiness energy property, residential energy efficient property, new energy efficient home credit, energy efficient commercial buildings, solar energy/fuel cell and microturbine properties, clean renewable energy bonds, biodiesel and renewable diesel and plug in hybrid cars.

Title III- Strategic Petroleum Reserve (SPR) Modification and Dedication of Revenues to existing Conservation and Energy Research Programs:

Modifies the Strategic Petroleum Reserve to today's refining capabilities by exchanging 10% (70 million barrels) of the reserve's content and dedicates funds received from the exchange of supply and existing SPR funds (\$1.4 billion estimated) to existing conservation, energy research/development and energy assistance programs. Specifically (\$1.28 billion):

- Advanced Research Projects- \$100,000,000
- Wind Energy research- \$15,000,000
- Solar Energy Research- \$30,000,000
- Low Income Weatherization- \$100,000,000
- Low Income Home Energy Assistance Program (LIHEAP)- \$100,000,000
- Marine and Hydrokinetic Renewable Energy- \$30,000,000
- Advanced Research Vehicles Development- \$40,000,000
- Industrial Energy Efficiency R&D- \$110,000,00
- Building/Lighting Energy Efficiency R&D- \$70,000,000
- Geothermal Energy Development- \$30,000,000
- Smart Grid Technology Development- \$30,000,000.
- Carbon Capture and Storage- \$385,000,000
- Nonconventional Natural Gas Production and Environmental Research- \$65,000,000
- Hydrogen Research and Development- \$5,000,000
- Energy Storage for Transportation and Electric Power- \$170,000,000