

Practical Energy Plan of 2011
Senator Dick Lugar

Save Money. Drop Foreign Oil.

Senator Dick Lugar's Practical Energy Plan proposes a path to dramatically reduce American dependence on foreign oil while saving American families and businesses money. These security and economic priorities are shared by Hoosiers and Americans regardless of geography or political affiliation.

Breaking our foreign oil dependence requires boosting domestic oil sources, maximizing fuel efficiency through innovation (thus decreasing pain at the pump), and enabling use of alternative fuels from diverse domestic sources.

Consumers and businesses will reduce their energy costs by aggressive attention to energy efficiency, including long-term frameworks to encourage investment in efficiency innovation and programs to achieve immediate savings.

The Practical Plan offers real progress on energy-driven national security and economic crises. Independent analysis of the bill indicates the following savings by 2030¹:

- **Reducing need for foreign oil by 6.3 million barrels/day, or more than 50%,**
- **Saving Americans \$33 billion annually by cutting 4% off projected energy needs, and**
- **Cut government spending by \$1.8 billion annually, generate up to \$170 billion in Federal revenues from enhanced oil recovery, and cut our trade deficit by more than \$215 billion annually.**

The Lugar Practical Energy Plan encourages job-creating economic growth, improves U.S. global competitiveness, and strengthens environmental stewardship by placing the emphasis on the more productive use of energy in transportation and electricity to cut energy needs.

In formulating the Practical Plan, Senator Lugar used a data-driven approach favoring demonstrated policies that maximizes 'bang for the buck' – making wise use of U.S. resources with minimal fiscal impact. By reforming unpredictable regulatory hurdles, long-term flexible frameworks will encourage U.S. private investment to promote jobs. Where new programs are offered, fiscal responsibility is maximized by using self-sustaining loan programs, public-private partnerships to leverage private investment, and oil investments that will generate future revenue. Reform of how Federal agencies use energy will reduce spending by billions while also increasing the flexibility of our defense and civilian agencies.

The Practical Energy Plan targets specific regulatory failures and shortcomings in financial and energy markets – creating a more secure and economically sound America. Through coordination with other Senate offices, it identifies a clear, consistent, and comprehensive set of policies backed by solid analysis.

¹ Based on independent analysis by ClimateWorks Foundation and McKinsey & Co. (www.climateworks.org).

Goal 1: Reduce U.S. Vulnerability to Foreign Oil

- ✓ Puts U.S. offshore oil production back on track in the Gulf of Mexico and Alaska while strengthening oversight of safety.
- ✓ Tax cuts to encourage infrastructure necessary for oil to be produced by usage of carbon dioxide – a win-win for energy security and the environment.
- ✓ Establishes clear, long-term frameworks to invest in automotive innovation for fuel efficiency.
- ✓ Enables fuel choice so more Americans have options beyond oil.
- ✓ Strengthens the U.S. military by allowing oil alternatives.

Goal 2: Save money and improve economic competitiveness by saving energy

- ✓ Enable energy efficiency upgrades in homes, small businesses, and non-profits through loan programs.
- ✓ Encourage states to adopt long-term frameworks to improve energy savings in new homes and buildings.
- ✓ Save taxpayer money by leveraging private investment in efficiency upgrades and through Federal leadership in efficient building management and procurement.
- ✓ Improve industrial competitiveness by enabling efficiency upgrades through loans.

Goal 3: Review and reform federal energy programs

- ✓ Bring transparent reporting on progress and costs of energy programs contained in the Practical Energy Plan and other existing programs to improve effectiveness.

