



Energy Policy Act of 2005
(H.R. 6 Conference Report)
September 14, 2005



Energy Policy Act of 2005

- It has been 13 years since last comprehensive energy bill
 - Since then we have seen the 2000-2002 Western market energy crisis
 - The collapse of Enron
 - August 2003 Blackout
 - RPS heavily debated however decisions regarding renewable energy deployment left to states and localities
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Energy Policy Act of 2005

- Title II – Renewable Energy
 - Requires Energy Department to assess the availability of renewable resources within the U.S.
 - Requires the federal government to use renewable energy for at least 3% of its total energy consumption in FY 2007 – 2009 and not less than 7.5% in FY 2013 and beyond.
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Energy Policy Act of 2005

- Title II authorizes the General Services Administration to establish a PV energy program
 - PV procurement and installation in new and existing public buildings.
 - Expressed goal of increasing renewable generation capacity on public lands to 10,000MW over next 10 years
 - Extends Renewable Energy Production Incentives (REPI) for another 10 years through 2016.
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Energy Policy Act of 2005

- Subtitle C
 - Directs DOE to conduct renewable energy research, development, demonstration and commercial application for solar and other energy technologies
 - Creates the Concentration Solar Power Research Program to evaluate the use of solar for hydrogen production
 - Provides credit equal to 30 percent of qualifying expenditures up to \$2000 per property for the purchase of PV and solar thermal. Cost: \$222 Million
 - Must not be used to heat pools or hot tubs
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Energy Policy Act of 2005

- Subtitle C
 - Increases the permanent 10% business energy credit for solar energy to 30% for two years
 - Eligible technologies include PV, solar water heaters, concentrating solar power and solar hybrid lighting
 - The credit reverts back to 10% level after two years
 - Credit applies to periods after December 31, 2005, and before January 1, 2008. Cost: \$24 Million
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- Creates widely accepted mandatory and enforceable reliability standards
 - Promulgated by electric reliability organizations with regional stakeholder input
 - Requires FERC to exercise its authority to enable load-serving utilities to secure long-term firm transmission rights.
 - Requires FERC to undertake rulemaking for all RTOs and ISOs with organized markets to implement long-term rights
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Energy Policy Act of 2005

- Clean Renewable Energy Bonds
 - Only provision that applies directly to public power systems
 - Provides a new category of tax credit bonds for state and municipal electric utilities
 - Bonds are interest-free debt instruments to build qualified renewable energy projects
 - Program begins Jan. 2006 and expires on December 2007. Cost: \$411 million
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Energy Policy Act of 2005

- Repeals the Public Utility Holding Company Act
 - Repeal not supported by public power
 - New FERC authority to address market manipulation
 - Provides enhancements to FERC's merger review authority
 - FERC retains authority to require just and reasonable rates, prevent cross-subsidizations, and issue such rules as are necessary to protect consumers with regard to holding companies
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Energy Policy Act of 2005

- Reforms the hydroelectric licensing process
- Creates the Climate Change Technology Program at the Department of Energy

