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Proponents of Alternative-Energy Provisions Vow to Push Again Next Year

By Dina Cappiello, CQ Staff

The House is expected Tuesday to clear an energy bill that includes the first statutory increase in vehicle fuel economy standards in three decades. But proponents of alternative-energy provisions stripped from the measure say they hope to revive them next year.

Supporters of the bill (HR 6) were able to win enough votes for passage by taking out two provisions: a requirement that utilities generate 15 percent of electricity from alternative sources by 2020 and $21.8 billion of alternative energy incentives that were to be offset, in part, by rolling back tax breaks for oil and gas companies.

The provisions were included in the House bill, but dropped by the Senate last week. Congressional aides, however, said the renewable mandates on utilities could be revived next year. One potential vehicle is a climate change bill the House plans to write.

Democrats also are likely to revisit the tax package, which on Dec. 13 fell just a single vote short in the Senate of the 60 votes needed to break a Republican filibuster threat.

During Senate debate, Pete V. Domenici, R-N.M., said supporting the tax package in the face of President Bush's veto threat would doom the widely supported fuel economy provisions, an argument that seemed to sway some members. Also, several Republicans had voted in favor of cloture on a bigger tax package earlier this year, suggesting that there may be room for further negotiation.

"I think this is the beginning, not the end, of major energy and climate legislation," said Paul Bledsoe, a spokesman for the National Commission on Energy Policy, a bipartisan group that includes industry, labor and academia and that makes recommendations to the federal government on energy issues.

The bill would require a 40 percent increase in fuel efficiency of cars and light trucks sold in the U.S. by 2020 and mandate the production of 36 billion gallons of alternative motor fuels such as ethanol and biodiesel by 2022.

That was unthinkable just two years ago, when both chambers overwhelmingly rejected proposals to increase corporate average fuel economy (CAFE) standards in an energy rewrite of 2005 (PL 109-58).

But rising fuel prices and growing concern about global warming — along with the change in partisan control of Congress — have altered the political landscape.

Even the auto industry, which has resisted tougher CAFE standards for years, is resigned to the new mandate, which the Senate passed last week, 86-8.

Advocates of more sweeping changes call the boost in CAFE standards a major accomplishment that will make significant dents in oil consumption and the emissions contributing to global warming — even if it's less than they hoped for.

The Energy Security Leadership Council, a nonpartisan group that advocates reducing U.S. dependence on foreign oil, said in a statement: "While we regret that the emerging legislation does not include initiatives to expand domestic production, the council believes that Congress now stands on the doorstep of an historic accomplishment."

The bill includes some modest revenue raisers to offset the expected reduction in fuel taxes as vehicles burn less gas and more alternative fuels are used. The Congressional Budget Office said in an analysis Dec. 14 that the bill would reduce the projected deficit by $52 million over a decade.

Efforts to mandate increases in CAFE standards have been thwarted for years by lawmakers from auto manufacturing states, such as Michigan's John D. Dingell, chairman of the House Energy and Commerce Committee, and by free-market Republicans who resist regulating industry.

The Bush administration has supported giving the Transportation Department more flexibility to increase fuel economy by regulation, but has resisted congressionally mandated mileage targets.

During debate on the 2005 energy law, the Senate rejected an amendment that would have boosted CAFE standards to 40 miles per gallon by 2016, while the House rejected an amendment to raise the standard to 33 miles a gallon by 2016.

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