

New Energy Reform Act of 2008

Roadmap to a Secure Energy Future

Senator Chambliss has formed a bipartisan coalition with Senator Kent Conrad (D-N.D.) to address our current energy crisis. Other senators in the coalition include: Johnny Isakson (R-Ga.), John Thune (R-S.D.), Blanche Lincoln (D-Ark.), Mary Landrieu (D-La.), Bob Corker (R-Tenn.), Lindsey Graham (R-S.C.), Mark Pryor (D-Ark.), and Ben Nelson (D-Neb.).

On August 1, 2008, the coalition unveiled its energy proposal to reduce gas prices, lessen our nation's dependence on foreign oil, and strengthen America's economy.

Senator Chambliss fully supports offshore drilling and believes we must utilize all of our domestic resources. Specifically, this proposal would open additional acreage in the Gulf of Mexico for leasing. It would also allow the states of Virginia, North Carolina, South Carolina and Georgia to opt in to leasing off their shores. The proposal focused on these areas because they are the areas that would allow us to get oil and gas out of the ground and to American consumers the fastest.

The New ERA proposal contains three main components:

- Urgently needed, timely domestic production of energy resources, including drilling offshore for oil and natural gas and utilizing nuclear energy;
- An intensive effort to transition vehicles to non-petroleum based fuels; and
- A robust federal commitment to conservation and energy efficiency.

The proposal includes support for nuclear energy by increasing staff at the Nuclear Regulatory Commission, providing workforce training, accelerating depreciation for nuclear plants, and supporting research and development on spent fuel recycling to reduce nuclear waste.

In terms of speculation or manipulation of the oil market, the coalition decided to focus on increasing supply and reducing demand and will await the mid-September report of the Commodity Futures Trading Commission to consider this subject.

Senator Chambliss believes that Congress can not sit idle while Georgia families and businesses continue to suffer as a result of the escalating high cost of energy.

Additional details of the proposal are below.

Responsible, Targeted Domestic Energy Production

To help meet our energy needs until our economy transitions to advanced alternative fuel vehicles, the New ERA bill increases domestic energy production in environmentally responsible ways. The proposal:

- Provides a CO₂ sequestration credit for use in enhanced oil recovery to increase production from existing oil wells while reducing greenhouse gas emissions;
- Opens additional acreage in the Gulf of Mexico for leasing (in consultation with the Defense Department to ensure that drilling is done in a manner consistent with national security) and allows Virginia, North and South Carolina and Georgia to opt in to leasing off their shores. Retains an environmental buffer zone extending 50 miles offshore where new oil production will not be allowed. Requires all new production to be used

domestically. Creates a commission to make recommendations to Congress on future areas that should be considered for leasing. Provides for appropriate revenue sharing for states that allow leasing off their shores;

- Provides grants and loan guarantees for the development of coal-to-liquid fuel plants with carbon capture capability. Plants must have lifecycle greenhouse gas emissions below those of the petroleum fuels they are replacing;
- Supports nuclear energy by increasing staff at the NRC, providing workforce training, accelerating depreciation for nuclear plants, and supporting R&D on spent fuel recycling to reduce nuclear waste.

Converting Cars and Trucks to Non-Oil Fuel Sources to Regain Energy Independence

The New ERA proposal funds a \$20 billion “Apollo Project” like effort to support the goal of transitioning 85% of America’s new motor vehicles to non- petroleum-based fuels within 20 years. To accelerate this transition, the plan includes:

- \$7.5 billion for R&D focused on the major technological barriers to alternative fuel vehicles, such as advanced batteries;
- \$7.5 billion to help U.S. automakers and parts makers re-tool and re-equip to become the world leader in making alternative fuel vehicles;
- Consumer tax credits of up to \$7,500 per vehicle to incentivize Americans to purchase advanced alternative fuel vehicles (those that run primarily on non-petroleum fuels) and up to \$2,500 to retrofit existing vehicles with advanced alternative fuel engines.

Enhancing Conservation

To ease gas prices and protect our environment during the transition, the proposal includes a significant federal commitment to promoting conservation and efficiency. These include:

- Extending renewable energy, carbon mitigation and energy conservation and efficiency tax incentives, including the production tax credit, through 2012 to create greater certainty and spur greater investment;
- New consumer tax credits of up to \$2,500 to purchase highly fuel efficient vehicles, to help Americans reduce their annual gas costs and reduce oil imports;
- Extending and expanding the \$2,500 tax credit for hybrid electric vehicles;
- \$500 million for R&D into new materials and other innovations to improve vehicle fuel efficiency;
- \$2.5 billion in R,D&D on next generation biofuels and infrastructure;
- Tax incentives for the installation of alternative fueling stations, pipelines and other infrastructure;
- Expanding transmission capacity for power from renewable sources;
- New dedicated funding for the weatherization assistance program.