

# Summary of Complementary Funding in Waxman-Markey as reported by E&C on May 21, 2009

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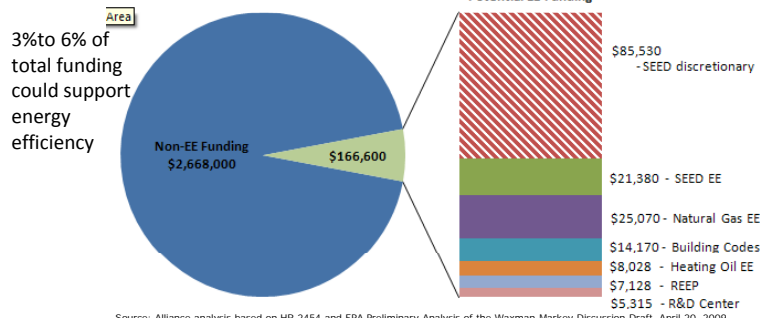
May 27, 2009



## Allowance Allocations by program



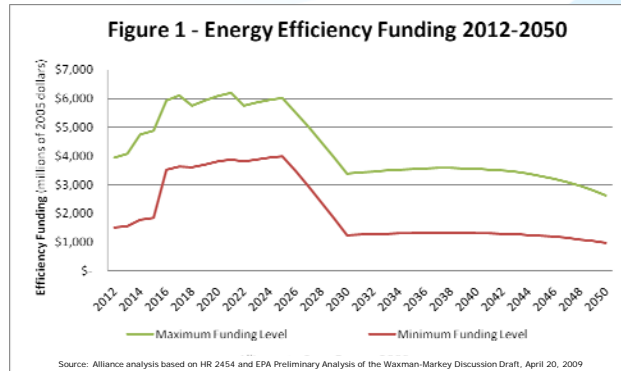
**Figure 2 - Cumulative Energy Efficiency Funding, 2012-2050**  
 (Millions of 2005 U.S. Dollars)



3% to 6% of total funding could support energy efficiency

- Calculations based on allocations in the Waxman-Markey substitute amendment & total allowance values from EPA's *Preliminary Analysis of the Waxman-Markey discussion draft*.
- Does not include noncompulsory utility funding for energy efficiency, revenues from the renewable electricity standard or separate authorizations.

## EE Funding through Allowance Allocations



- Calculations based on allocations in the Waxman-Markey substitute amendment & total allowance values from EPA's *Preliminary Analysis of the Waxman-Markey discussion draft*.
- Includes SEED accounts, building codes, natural gas utilities, heating oil and propane consumers, and one eighth of Clean Energy Innovation Centers funding
- Does not include noncompulsory utility funding for energy efficiency, revenues from the renewable electricity standard or separate authorizations.

## State & Local Governments



- ACES directs DOE to establish "State Energy & Environmental Development" (SEED) Accounts to be used for EE and RE programs;
- 2012-2015: 9.5% of total allowance value provided to SEED;
- Average annual funding for EE from this provision could be as low as \$730 million or as high as \$2.9 billion;
- Largest dedicated source of EE funds

## Natural Gas Utilities



- Natural gas utilities receive 9% of total allowance value from 2016 through 2025;
- Natural gas utilities must use at least one third of their free allowances specifically for energy efficiency;
- This provision will provide an average of \$1.8 billion per year in the years 2016 through 2029;
- Alliance would like to see this same requirement applied to electric utilities

## Building Code Incentives



- .5% of total allowance value allocated to states to support building code development and enforcement
- ~\$360 million annually and \$14.2 billion over the life of the bill

## Home Heating Oil and Propane



- States receive allowances based on their residential and commercial consumption of home heating oil;
- From 2012 through 2013, states receive 1.875% of total allowance value;
- States must use at least one-half of these allowances specifically for energy efficiency;
- This provision will provide an average of \$446 million annually for EE.

## Renewable Electricity Standard



- The RES allows electricity providers to pay \$25 per megawatt hour in lieu of meeting their renewable energy requirements under the bill;
- These funds are to be used by states to promote EE and RE;
- This provision could provide millions, if not hundreds of millions, for EE annually.

## Clean Energy Innovation Centers



- DOE to establish 8 Clean Energy Innovation Centers;
- One center will likely focus on energy-efficient building systems and designs, per FY 2010 budget request;
- Centers to receive 1.5% of emission allowances, distributed on a competitive basis;
- Assuming that 1/8 of the funding supports an EE center, \$5.3 billion will be distributed to the center over the duration of the bill (2012-2050);
- ~\$140 million annually for EE

## Additional Authorizations



- ACES contains additional program authorizations for EE funding including:
  - Electric and plug-in hybrid vehicles;
  - Smart Grid;
  - Transportation Planning;
  - Industrial energy efficiency and waste heat recovery;
  - Low-income energy efficiency