



**Democratic Energy Plan
vs.
Republican Big Oil Giveaway**

Americans have understood for some time that we are currently in energy, economic and environmental crisis. Sky-high gasoline prices have compounded existing housing and banking problems to create deep uncertainty over the future direction of our country, and our individual lives. The choices we make as a country now, and the choices we have already made, will determine our economic, national and environmental security for decades to come.

Since day one, the New Direction Democratic Congress has been fighting to put our nation on a path toward energy independence and economic security.

In just over a year of leadership, the Democratic Congress passed:

- the first increase in fuel economy standards in over 30 years,
- higher appliance and building efficiency standards,
- increases in mass transit options, and
- an ambitious move towards American-made advanced biofuels.

The Democratic-led 2007 Energy Independence and Security Act will, by 2030, save more than *4 million barrels of oil per day*, which is the equivalent of stopping all oil imports from the Middle East. Those are the facts. Those are real results.

But this was only the first step in the fight to help consumers, stimulate our economy and protect future generations from the impacts of global warming. The New Direction Democratic Congress has set forth additional proposals to help hard working Americans with both immediate relief efforts and long-term solutions, but have been blocked by President Bush and Republicans.

The New Direction Democratic Congress Energy Agenda

Immediate consumer relief legislation:

- Releasing oil from Strategic Petroleum Reserve,
- Telling Big Oil to drilling now on 68 million acres they currently have: Use It or Lose It,

- Fight price gouging at the pump,
- Weed out excessive oil speculation and close the Enron Loophole.

Long term solutions:

- Renewable tax credits,
- Renewable electricity standard,
- Getting American-made biofuels to the pump,
- Efficient vehicles such as 100+ miles per gallon hybrid vehicles,
- Investing in clean technology solutions.

Democrats are also looking at supply solutions. Speaker Nancy Pelosi and other Democratic leaders are pushing for responsible drilling policies that could produce oil from existing oil company leases in half the time as from rigs off our nation's beaches. House Democrats are also calling for a release of oil from our nation's Strategic Petroleum Reserve, which has a proven track record of immediate price relief for consumers. And Democrats will lead the drive to bring existing 100+ miles per gallon plug-in hybrid and advanced automotive technologies to market now, not hold contests.

In the long-term, it's time for America to make the choices that will prevent a crisis like this from ever happening again. Staying addicted to oil won't protect us from price shocks now, or in the future. Moving away from oil and other expensive fossil fuels will. Americans want action, and they want smart policies, and House Democrats have delivered and will continue to deliver on the faith Americans have put in them to lead.

In contrast to smart policies, Congressional Republicans are cynically using uncertainty and the fog of high prices to stage the largest giveaway to Big Oil in history, turning over our nation's coasts and wild places and our Earth's health to a scheme that won't produce a drop of oil for at least a decade. And they suddenly "support" the Democratic renewable energy and efficiency proposals they have blocked ever since they left power.

This death-bed conversion to renewable energy and efficiency proposals must be seen against their legislative record when they were in charge. In 2005, when the Republicans passed their own energy bill, they predicted its sweeping effect on energy prices and our economic well-being. Minority Whip Roy Blunt said:

“What we do here today and tomorrow can be extremely important to solve the problems that we see at the gas pumps today, to solve the problems that we see if you try to buy fertilizer today, to solve the natural gas problems.” April 20, 2005
<http://thomas.loc.gov/cgi-bin/query/F?r109:51:/temp/~r109wa6HoF:e0:>

At the time, a gallon of gasoline cost \$2.24.

The GOP 2005 energy bill was the culmination of 12 years of Republican-led fossil fuel rule that raised American dependence on foreign oil from 46 percent to 61 percent, and prices from just over a dollar to where they are today. The Republicans have had their

time, and their policies have failed: they have failed to reduce our dependence on oil; they have failed to reduce prices; and they have failed to protect our planet.

Before the American people, and this Congress, make the energy choices that will define our economic, national, and environmental security for the next century, they should know the facts on the Republican plan and the smart energy choices from a Democratic-led energy revolution.

Gas and Oil Party (GOP) scheme: Open our deep water ocean resources (read: Drill off America's Beaches)

Truth: The Republican argument that we can drill our way out of this energy crisis by opening our beaches and our most pristine wilderness areas is a delusion and a distraction.

- According to DOE, if we repealed the offshore drilling ban today, oil and gas production would not begin there until 2017 and that the impact on prices before 2030 will be “insignificant.”
- 80 percent of America's oil and gas natural resources, both on land and offshore, are located in areas where oil companies can already drill. Use it or lose it.
- Oil drilling threatens our nation's beaches. In 2005, according to the Department of Interior, Hurricanes Katrina and Rita led to more than 154 spills that dumped over 17,000 barrels of oil into the Gulf of Mexico.
- Oil companies are spending more of their record profits on buying back stock than they are on new oil and gas exploration -- both on and off shore.

Democratic proposal: The Democratic leadership has pushed for responsible drilling practices, telling the oil companies to drill on the 68 million acres—the size of Georgia and Illinois *combined*—that they already hold. House Republicans have twice blocked this drilling proposal.

Gas and Oil Party (GOP) scheme: “open the Arctic coastal plain” (read: Drill in the Arctic National Wildlife Refuge)

Truth: According to the Bush Administration's own Energy Department, if we opened the Arctic National Wildlife Refuge to drilling today, we wouldn't get the first drop of oil for 10 years. DOE reports that it would take nearly 20 years for the field to reach peak production, and at that time it would reduce oil prices by less than \$1 per barrel. The impact of gas prices is projected to be less than 2 cents, 20 years from now. That is not an answer for American consumers in desperate need of relief now!

Democratic proposal: Democrats last week proposed, as part of a larger plan, to expedite drilling in the National Petroleum Reserve in Alaska (NPR-A), which holds over 10 billion barrels of oil – more than the Arctic Refuge. House Republicans blocked this measure.

Gas and Oil Party (GOP) scheme: “allow development of our nation’s shale oil resources” (read: open up huge parts of the American West to destructive, water-intensive, land-stripping “tar shale” practices)

Truth: The Republicans want to open up 2.3 million acres of public lands in Colorado, Utah and Wyoming for tar shale development despite the fact that 3 million acres of prime tar shale lands are owned by oil companies, including ExxonMobil, and have been for decades.

- Despite considerable investments, companies remain years away from developing oil from tar shales. It bears emphasis that tar shales do not contain oil. Only with enormous additions of energy and water can the Earth’s geologic process be completed to produce oil.
- Even optimistic estimates say it will take 20 years for tar shales to produce 1 million barrels of oil per day and 30 years to produce 3 million barrels of oil per day.
- To convert tar shale into oil, enormous electricity is needed to power the operation. The coal plants needed to develop tar shales would produce 80 percent more carbon dioxide per year than was released by all existing electric power plants in Colorado, Utah and Wyoming in 2005.
- One other element is needed to convert tar shale: water. Lots of water. It takes about 3 barrels of water to produce 1 barrel of oil from tar sands. This water would be taken in parts of the country experiencing historic droughts. Diverting drinking water in the western United States to generate a dirty fuel source is dangerous and irresponsible.

Democratic Proposal: Democrats want to give consumers affordable, clean fuel choices now, not dirty, expensive fossil fuel choices in the future. The Democrats have already extended the renewable fuel mandate towards advanced biofuels that can come from everything from agriculture waste to algae. Democrats are offering tax credits for 100+ mpg plug-in hybrid vehicles so that electricity can become a viable alternative fuel source.

Gas and Oil Party (GOP) scheme claims “to improve energy conservation and efficiency”

Truth: The GOP views efficiency as a second-class energy citizen. Vice President Cheney best summed up the GOP view of energy efficiency: “Conservation is a sign of personal virtue, not an energy policy.”

- From 1995 to 2006, the Republican majority and President Bush repeatedly opposed efforts to increase appliance efficiency standards. These actions included enacting a one year moratorium on all new appliance standards, delaying new standards for fluorescent lighting, and blocking new air conditioner standards.

- From 1995 to 2006 the Republican majority repeatedly blocked regulations or fought off legislation that would increase the fuel efficiency of America's cars and trucks.
- President Bush's 2009 budget request eliminates funding for programs that help low-income families save millions of dollars by making their homes more energy efficient.
- If the Republican Majority in Congress had not blocked the transition of the fleet to a 35 mile per gallon (mpg) standard in the mid 1990's, then the fleet would already be at 35 mpg and we would be saving *1.5 million barrels of oil per day* and consumers would be saving \$90 billion a year on gasoline they didn't have to buy.

Democratic proposal: A set of national building codes that would save Americans millions on utility bills as well as tax credits for the purchase of super efficient plug-in hybrid vehicles were pulled out of the 2007 Energy Bill due to Republican objections. Over Presidential objections, Democrats continue to fight to provide funding for low-income Americans to weatherize their homes. Efficiency standards for appliances and light bulbs were successfully passed over Republican objections in last year's energy bill.

Gas and Oil Party (GOP) scheme says it will “promote new and expanding energy technologies” and “eliminate barriers to the expansion of carbon-free nuclear power production.”

Truth: President Bush and Congressional Republicans have blocked and continue to block legislation that would remove tax breaks for Big Oil and move them to renewable energy. So the GOP has said “NO” to renewables and a consistent “YES” to dirty fuels and gross subsidies to nuclear power.

- The nuclear industry was the recipient of \$13 billion in subsidies through the 2005 Republican energy bill. Another \$20.5 billion has since been authorized in the form of loan guarantees that put taxpayers on the hook for nuclear industry's risky debt should there be a default. Even with this huge level of federal support, the nuclear industry expects just 4-6 new plants to come online in the next decade. By that time, wind capacity equivalent to more than 100 nuclear power plants will have been added to the U.S. grid.
- Licensing procedures have already been dramatically streamlined for new nuclear plants. Further “elimination of barriers” are code-words for eliminating citizen and state and local government participation in licensing decisions so that those most affected by the location of a new plant would have no say in the matter.
- By “alternative energy” the GOP really means fossil energy like coal -to-liquids and tar shale. Turning these resources into fuel for cars requires huge amounts of energy and water and would worsen global warming.

Democratic Proposal: A long-term extension of the renewable energy tax credits would hasten a clean energy revolution that would add more wind capacity by 2016 than all nuclear power built in the United States in the last half century. Democrats have also

pushed for a Renewable Electricity Standard that would require 15% of all electricity to come from renewable sources by 2020. Both of these proposals are still being blocked by Republicans. During a time when new technologies are vital to solving the energy and climate crisis, funding for energy technology research under President Bush has hovered, in constant dollars, around a third the level seen during the energy crisis in the late 1970s.

THE PATH FORWARD: Reaching Bi-partisan consensus on proposals

While President Bush and his Republican allies in Congress have offered many proposals that will harm, not help, our economy and our environment, it is heartening to see they are now supporting certain proposals they have previously opposed in vote after vote.

Here are the proposals Democrats and Republicans could act on together:

- 1) Deploy oil from the Strategic Petroleum Reserve. A successful bi-partisan effort stopped the president from filling the SPR. Now it is time to direct him to release oil to immediately help consumers.
- 2) Make tax credits for renewable energy production, including wind, solar and geothermal, permanent. While no Republicans voted in February, 2008 to extend tax credits for efficiency and renewables, Democrats and Republicans can now join together NOW to make these important tax credits permanent.
- 3) New tax credits for 100+ mile per gallon plug-in hybrid vehicles. While the Republicans are proposing a contest for 100 mpg vehicles, and no Republicans voted for tax incentives for the purchase of plug-in hybrid electric vehicles last December, Democrats hope Republicans will be open to supporting existing 100+ mpg technology to help consumers and create thousands of jobs by stimulating the ailing American automotive industry.
- 4) Establish a renewable energy fund. While House and Senate Republicans have repeatedly blocked increasing tax incentives or funding for renewables, Democrats can work with Republicans now to establish this important fund.
- 5) Establish a national Renewable Electricity Standard. Nothing could unleash a renewable energy revolution faster than saying 15 percent of our nation's electricity should come from renewable energy sources by 2030. An RES would create a cleaner energy system to power our homes, businesses, and plug-in hybrid vehicles. While Republicans have blocked the passage of an RES before, their newfound support for renewable energy should lead to bi-partisan support for this measure.