

# Environmental Studies Program

## Issues Update: OBAMA'S ENERGY PLAN

MEGAN WELCH

### Overview

The Obama-Biden comprehensive New Energy for America Plan addresses the goals of the new administration pertaining to energy in three main areas: the energy economy, energy/fuel sources, and energy efficiency. Many of these policy goals can be seen in the Stimulus Package that was just recently passed by Congress. The main points of the three areas, as well as the Stimulus Package, are presented in the outline below.

### The Energy Economy:

Create five million new green jobs

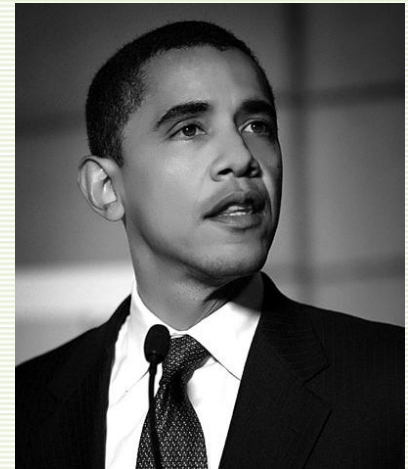
- Invest 150 billion dollars over the next 10 years to help private efforts to build clean energy
- Use revenue from cap and trade permits to invest in new jobs
- Jobs will be created in three areas: basic research, technology demonstration, and aggressive commercial deployment and clean market creation
- Create new job training programs for green technologies, which would include a youth job program for the disconnected and disadvantaged
- Create a federal investment program to help manufacturing centers modernize and people learn new skills to produce green products and provide up-front capital for sustainable economic growth
- "Green Vet Initiative"
  - ◆ Providing Veterans with counseling and job placement to enter into a green job once home

### Cap and Trade:

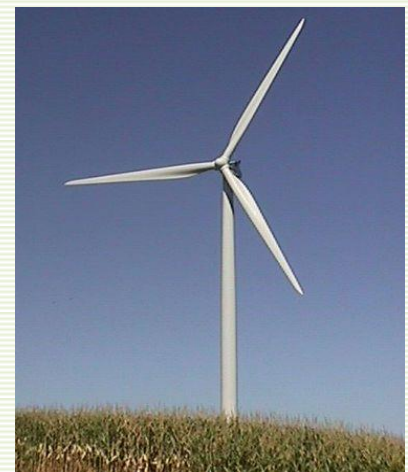
- Major way Obama is planning on reducing greenhouse gas emissions
- Reduce emissions by 80% below 1990 levels by 2050
- Pollution credits will be auctioned in order to reduce carbon emissions
- Money generated will go towards new jobs, development of clean energy and energy efficiency, restoring habitat, and creating wildlife migration corridors.

### WHAT'S NEW...

*"Our nation is confronted by two major energy challenges, our dependence on foreign oil and global climate change."*



*"Our country cannot afford politics as usual - not at a moment when the energy challenge we face is so great and the consequences of inaction are so dangerous."*



## Energy Sources:

Promote and protect domestic energy/fuel sources and decrease dependency on foreign oil

Believes it is important to have a diverse array of energy sources

### Energy/Fuel

- Increase biofuel resource
  - ◆ Wants to produce 60 billion gallons of biofuels by 2030
  - ◆ Investing federal resources, providing tax incentives and setting a mandate that forces all vehicles to be flexible fuel vehicles
- Increase the number of plug-in electric vehicles
  - ◆ Invest in battery technology
  - ◆ Provide \$7000 tax credit for the purchase of the vehicle
  - ◆ Will convert the white house fleet into plug-in vehicles within one year
  - ◆ By 2012 half of all cars purchased by the federal government will be plug-in hybrids or electric
  - ◆ Goal that by 2015 one million plug-in electric vehicles will be on the road
    - To do this Obama plans on partnering with the domestic automakers
    - Would provide four billion dollars in the form of retooling tax credits and loan guarantees so fuel-efficient cars can be produced in the US
- Create a low carbon fuel standard to hurry the introduction of alternative fuels
  - ◆ Begin in 2010 to reduce the carbon of their fuel by 5% within 5 years and 10% within 10 years
- Address the oil issue
  - ◆ Focus on own oil resources
  - ◆ For construction of the Alaska Natural Gas Pipeline
  - ◆ “Use it or lose it” approach to existing leases
    - Forces oil companies to develop lease areas in a timely manner or turn them over so another company can develop them
- Renewable Resources
  - ◆ By 2012 have at least 10% of electricity form renewable sources
  - ◆ Will create a field for new jobs
  - ◆ Plans on extending the federal production tax credit for five years to encourage the production
- Clean coal technology
  - ◆ Develop carbon capture and storage technologies and create incentives for private zero-carbon coal factories
- Nuclear
  - ◆ Obama does not believe we can reduce our carbon emissions as much as needed without using nuclear
  - ◆ Prevent international nuclear materials from getting into the hands of terrorists
  - ◆ Against Yucca Mountain

## Stimulus Package:

787 billion dollar package

- 120 billion dollars for infrastructure spending
- 20 billion dollars for renewable energy
- 11 billion dollars to modernize the US electrical grid

3.5 million new jobs over the next two years

## Energy Efficiency:

Plans on reducing electricity demand by 15% from the DOE's projected levels before 2020 by setting annual demand reduction targets that utilities would need to meet and by creating more strict building and appliance standards

### Cars more efficient

- Within ten years the UC could reduce consumption of oil by more than we are currently importing from the Middle East and Venezuela combined
  - ◆ Increase fuel economy standards by 4% each year
- Increase efficiency from existing oil fields
- Enhanced oil recovery, which will also sequester CO<sub>2</sub> in the process
- National building efficiency goals
- New buildings will become carbon neutral by 2030
- Improve new building efficiency by 50% and existing buildings by 25%
- Reduce federal energy consumption
- 40% increase in efficiency in all new federal buildings within five years and zero-emission by 2025
- Invest in retrofits to create a 25% increase in efficiency of existing buildings
- Smart Grid
- Improve reliability and security through smart metering, distributed storage, etc.
- Create a Grid Modernization Commission to see this project through
- Weatherizing
- Short term: fund LIHEAP to provide heat this winter to families in need
- Long term: work with poor families to cut energy bills by 20-40%
  - ◆ One million homes annually
  - ◆ Upgrade furnaces, seal leaky ducts, fix windows, add insulation, and add energy efficient appliances and lighting
  - ◆ Reduce energy costs and greenhouse gas emissions

## REFERENCES

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