

American Clean Energy and Security
Act of 2009
HR 2454

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Clean Energy Provisions

- Renewable Electricity Standard
 - Combined renewable and efficiency savings begins at 6% in 2012 and increases to 20% in 2020
- Carbon Capture and Sequestration
 - Requires EPA to establish certification and permitting of sites where sequestration will occur
 - Establishes a demonstration and early deployment program and establishes performance standards for new coal-fired plants permitted in 2020 and after
- Clean Transportation (electric vehicle infrastructure)
- Provides at least 12.5 of allowances for ee and re deployment and manufacturing support
- Smart Grid requires FERC to reduce peak demand
- Establishes 8 Clean Energy Innovation Centers

Title II Energy Efficiency

- Requires DOE to establish building codes achieving 30 and 50% higher energy efficiency targets in 2010 and 2016
- Transportation efficiency DOT and EPA and CA to harmonize fuel economy standards
- Industrial Energy Efficiency
- Public Institutions

Cap and Trade Provisions

The bill contains three provisions to reduce carbon emissions

- Cap on domestic sources of emissions with system of tradable permits (modeled after successful Clean Air Act program to prevent acid rain)
 - Carbon pollution from large sources reduce 17 % below 2005 levels by 2020
 - 83% below 2005 by 2050
- A program to reduce tropical deforestation EPA and State Department use 5% of allowances to prevent tropical deforestation and reduce carbon emissions by an additional 10 % below 2005 by 2020.
- An offset program allows capped sources to increase carbon emissions if they obtain offsetting emission reductions from uncapped sources at lower cost—reducing carbon emission by up to 5% below 2005 by 2020.

Allowance Provisions

- Major U.S. sources of emissions must obtain an allowance for each ton of carbon or its equivalent.
- EPA establishes allowances equal to tonnage limit for each year
- Prohibits covered entities from emitting in excess of allowable emissions level (determined by no. of allowances and offset credits they have)
- Electricity generators, liquid fuel refiners and importers, and fluorinated gas manufacturers covered starting in 2012
- Industrial sources that emit more than 25,000 tons of carbon dioxide per year covered in 2014.

Protection for Consumers

ACES establishes 5 programs for consumers

1. One for electricity price increases
2. Another for natural gas price increases
3. One for heating oil price increases
4. One to protect low-and moderate income families
5. One to provide tax dividends to consumers.

Protection of Trade-Vulnerable and Other Industries

- Energy-Intensive, trade-exposed industries that make products like iron, steel, cement and paper will receive allowances
- Establishes a Strategic Reserve—2.5 billion metric tons of emission allowances by setting aside a small number of allowances from each year's tonnage limit

Impact on Ohio

- Ohio
 - In terms of quantity Ohio ranks fourth in coal consumption
 - In terms of percent of energy use, Ohio ranks 7th
- Reduction in overall emission cap: 20% down to 17%
86% reduced to 83% in 2050
- Since greatest increase in electricity price expected in coal-dependent regions, regulated utilities that distribute electricity will receive 32% of allowances through 2025 under a formula that distributes half based on emissions and half based on electricity generation

