



Snowe - Feinstein Introduce Legislation to Ensure Electricity Reliability
and Greater Energy Efficiency
April 9, 2004

Washington, DC – U.S. Senators Olympia Snowe (R-ME) and Dianne Feinstein (D-Calif.) today announced the introduction of the Efficient Energy through Certified Technologies and Electricity Reliability Act of 2004 (EFFECTER Act) that would increase the security and reliability of the electric grid, while reducing natural gas and electricity prices through a gradual reduction in demand. Other provisions in the bill include targeted tax incentives and standards for energy efficiency in commercial buildings, both new and retrofitted, that will support energy demand reduction, the construction of new and retrofitted homes, including rental housing, and the use of more energy efficient appliances.

“During the Western Energy Crisis, California faced energy shortages and rolling blackouts, but it could have been much worse,” Senator Feinstein said. **“Ultimately, we were able to escape further blackouts because Californians made a major effort to conserve energy. This reduced demand for electricity and helped ease the crisis. By creating incentives to reduce demand, this bill will help us avoid power shortages and blackouts in the future. In addition, encouraging more efficient technologies will also reduce pollution and save consumers billions of dollars in the long run. America cannot solve its energy challenges by simply adding more supplies. We must find ways to reduce demand for energy and create more efficient technologies. This bill helps do just that.”**

“This legislation is urgently needed to help prevent the painful disruption of electric power blackouts, to save American consumers billions of dollars in wasted energy costs, to create jobs, and eventually, to avoid the needless emission of more greenhouse gas pollution than comes from our nation’s entire automotive fleet,” said Senator Snowe. **“Since last summer, we have taken little effective action to reduce the likelihood that additional blackouts could threaten lives and damage our economy again this year or any time in the near future. Our country currently has a need for more electric power plants, but we also need to protect our present electricity system from overload caused by wasted power use. The EFFECTER Act of 2004 takes dramatic steps to improve the reliability of our nation’s electricity supply, while reducing the impact on our nation’s environment.”**

The EFFECTER Act of 2004 addresses some of our largest energy problems head-on. Its incentives for energy efficiency are more effective and expedient than those in the energy bills currently being debated, yet they cost less to the government. This legislation will save American families and business owners over \$30 billion dollars annually by 2015, and prevent the waste of over 3.3 quads of natural gas annually—over 12 percent of total gas use and will produce over a half million new jobs in the American economy. In March 2003, Snowe and Feinstein introduced the EFFECT Act

of 2003, legislation that provided tax incentives for advanced levels of energy efficiency and peak power savings technologies in the buildings, which consume 35 percent of energy nationwide and are responsible for the emissions of a comparable percentage of pollution. They account for more than one half of the nation's energy cost. Many of these provisions were incorporated into the Senate energy bill that passed the Senate last fall.

The EFFECTER Act of 2004 goes even further to encourage the EFFECT Act's tax incentives provided in the Senate's energy bill. It encourages administrative improvements, cost-efficiencies, and it also reflects a number of consensus provisions from H.R. 6, the Omnibus Energy Conference Report. These provisions mirror simple, common sense solutions, such as the mandatory electricity reliability provisions. Due to the blackouts in the Northeast last summer, there are requirements for electric generating and transmission companies that encourage them to cooperate with each other on a mandatory basis.

By not pulling power from the grid at peak times in the next 10 years, the EFFECTER Act of 2004 will help America's building owners save more electricity—electricity equivalent to the amount that would be produced by 350 new power plants of 400 MW capacity. By reducing energy use that otherwise would be wasted in inefficient buildings, this legislation will reduce greenhouse gas pollution in an amount equivalent to the reduction that would occur if 25 percent of the cars were taken off America's roads.

The legislation also includes the Energy Savings Performance Contracts (ESPC) program, whose authorization expired in October of 2003. The ESPC program promotes consensus energy efficiency standards and reforms in government contracting that save the taxpayers money. This bill requires the federal government, through its agencies, to acquire the most cost-effective as well as energy efficient products and to design buildings that can also save the government money.

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