



Issue Brief
Energy Policy Modernization
March 16 - 17, 2016

Background

Reliable sources of base load energy and transmission are the foundation of Great Lakes manufacturing and a prime source of its competitive advantage in the world economy. While the Coalition favors the development of sustainable energy sources such as wind and solar as incremental contributors to the nation's energy portfolio, it recognizes that clean coal, natural gas, and nuclear power will provide the always-on, reliable and affordable backbone for the nation's manufacturers for years to come.

Furthermore, the Coalition has been continuously on record in opposition to the Clean Power Plan (CPP) and has joined over 165 other organizations, including the National Association of Manufacturers and the United States Chamber of Commerce, in filing an amicus brief contesting EPA's legal authority under the Clean Air Act to enact such a sweeping regulation and protesting the severe economic consequences for Midwestern businesses and households. The Coalition is also a strong supporter of federal R&D and financing programs to facilitate the development of cleaner fossil fuels through the work of the National Energy Technology Laboratory (NETL). Finally, the Coalition also strongly favors increased support and deployment of our nuclear energy assets.

The Coalition's Priorities

Energy Policy Modernization

Our nation's energy policy is out of date and does not reflect the international paradigm shift caused by the unconventional natural gas developments within our nation. The Coalition supports major provisions of both the Energy Policy and Modernization Act of 2015 (S. 2012), pending on the Senate floor, and H.R. 8, the North American Energy Security and Infrastructure Act, passed by the House. Both bills address a number of our Great Lakes States' energy policy concerns, notably electric grid reliability and energy workforce readiness. We urge Senate passage of S. 2012 and the development of a conference report that combines the best features of both bills.

Salient features of S. 2012 include:

- **Electric Grid Modernization/Reliability Provisions** – Requiring agencies to review and consider the reliability impacts of a proposed rule before it is adopted.
- **Energy Workforce Pilot Grant Program** – Instructing the Secretary of Energy to set up a job training pilot program for energy workforce development.
- **21st Century Energy Workforce Advisory Board** – Instructing the Secretary to establish a 21st Century Energy Workforce Advisory Board to develop a strategy for the development and support of a skilled energy workforce.

- **Liquefied Natural Gas Permitting** – Requiring the Secretary of Energy to make a decision on any LNG export application within 45 days after completion of environmental review.
- **Grid Storage** – Directing the Secretary to conduct a research, development, and demonstration program for electric grid energy storage.
- **Energy Efficiency** – Directing the Department of Energy to encourage and support the deployment of energy efficient strategies to manufacturers, state and local governments, and various certification processes.
- **Hydropower Improvements** – Ensuring federal permitting decisions for new hydropower projects are made in a timely manner to reduce unnecessary delays and costs.
- **Energy-Water Nexus** – Promoting collaboration between the public and private sectors to deploy new technologies that increase efficiency and better management of water resources.
- **Code Maintenance** – Cleaning-up the U.S. Code by repealing many of the Department of Energy's redundant, overlapping, and outdated authorities.
- **Carbon Capture & Storage (CCS)** – Establishing a coal technology program ensuring the continued use of coal through improvements in efficiency, effectiveness, cost, and environmental performance.

A number of provisions within H.R. 8 should also be included in a final conference report. These provisions address several of the Coalition's most pressing concerns - energy workforce, the security of the electric grid, and downstream energy manufacturing support:

- **Ethane Storage Study** – Directing the Secretary of Energy and the Secretary of Commerce, in consultation with other relevant agencies and stakeholders, to conduct a study on the feasibility of establishing an ethane storage and distribution hub in the United States.
- **FERC Process Coordination** – Reinforcing the Federal Energy Regulatory Commission's (FERC) role as the lead federal agency for siting interstate natural gas pipelines.
- **Energy Security Valuation** – Directing the Secretary to establish U.S. energy security valuation methods to ensure that energy-related actions that significantly affect the supply, distribution, or use of energy are evaluated with respect to their potential impact on energy security for consumers and the economy.
- **Environmental and Grid Reliability Conflicts** – Resolving the conflicts between the Federal Power Act and environmental laws and regulations for electric generators.

National Energy Technology Laboratory (NETL)

The Department of Energy (DOE) has requested a significantly reduced budget for the Fossil Energy R&D program (FE Program) that funds NETL, and the Administration is seeking to de-obligate and reclaim significant funds from the Clean Coal Power Initiative (CCPI). The Coalition urges you to work with

appropriators to provide robust funding of \$758 million for NETL and to continue to support the Coal and Natural Gas Carbon Capture and Storage (CCS) programs which are funded and administered by the FE Program. Vital research to utilize our nation's vast coal, oil, and natural gas resources will be greatly enhanced and CCPI funds should go towards current or future large scale CCS pilot projects as intended by Congress. NETL is directly responsible for developing control technologies that are used at 75% of the nation's domestic coal-burning power plants, which have reduced SO₂ and NO_x by an average of 85%. These results in cleaner fossil fuels are essential contributors to always-on, affordable power for the Midwest's manufacturing base.

Summary

The Coalition urges prompt passage of S. 2012 with the key policy provisions described above, combined with speedy selection of conferees and a timely conference process that also includes the Coalition's priorities in H.R. 8 described above.

The Coalition also asks that legislators urge appropriators to provide robust funding of \$758 million for the National Energy Technology Laboratory (NETL) and its fossil fuel research programs and continue to support the Coal and Natural Gas CCS programs which are funded and administered by NETL. We stand ready to work with Congress in a bi-partisan, bicameral way to achieve these goals.

**Great Lakes Metro Chambers Coalition
Contributing Chambers of Commerce:**

Ann Arbor/Ypsilanti Regional Chamber
Allegheny Conference
Battle Creek Area Chamber of Commerce
Buffalo Niagara Partnership
Canton Regional Chamber of Commerce
The Chamber of Commerce Grand Haven, Spring Lake, Ferrysburg
Chicagoland Chamber of Commerce
Cincinnati USA Regional Chamber
Columbus Chamber of Commerce
Dayton Area Chamber of Commerce
Detroit Regional Chamber
Duluth Area Chamber of Commerce
Erie Regional Chamber and Growth Partnership
Fox Cities Chamber of Commerce and Industry
Grand Rapids Area Chamber of Commerce
Greater Akron Chamber of Commerce
Greater Cleveland Partnership
Greater Des Moines Partnership
Greater Indianapolis Chamber of Commerce
Greater Louisville Inc. – The Metro Chamber of Commerce
Greater Niagara Chamber of Commerce

Greater Pittsburgh Chamber of Commerce
Kalamazoo Regional Chamber of Commerce
Lake Carriers Association
Lancaster Chamber of Commerce & Industry
Lansing Regional Chamber of Commerce
Lima/Allen County Chamber of Commerce
Metropolitan Milwaukee Association of Commerce
Michigan West Coast Chamber of Commerce
Minneapolis Regional Chamber of Commerce
Muskegon Lakeshore Chamber of Commerce
Northern Kentucky Chamber of Commerce
Northern Michigan Regional Chamber Alliance
Plattsburgh North Country Chamber of Commerce
Quad Cities Chamber
Rockford Chamber of Commerce
Saint Paul Area Chamber of Commerce
Southwest Michigan First
Toledo Regional Chamber of Commerce
Traverse City Area Chamber of Commerce
West Michigan Chamber Coalition
Youngstown/Warren Regional Chamber