

United States Senate

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SENATOR TSONGAS TO INTRODUCE LEGISLATION TO HELP STATE AND LOCAL ENERGY EFFORTS

Senator Paul Tsongas of Massachusetts will introduce new legislation this fall designed to help state and local governments strengthen their energy planning and management capabilities, and promote energy conservation and the use of renewable resources.

The Comprehensive Energy Management Partnership Act (CEMPA) would combine a stronger version of the Carter Administration's proposed Energy Management Partnership Act (EMPA), which focuses primarily on the role of the states, with the proposed Local Energy Management Act (LEMA), which would stimulate local conservation and solar activities. LEMA was introduced by Senator Percy, and includes Senators Tsongas, Baucus, Cohen, Domenici, Hatfield, Heinz, Kennedy, and Sarbanes as co-sponsors.

It is clear that governmental actions designed to meet our nation's energy challenge should not come from the federal government alone. Many important initiatives can best be undertaken by governments close to the level of delivery of services. Aggressive and innovative efforts

by states, counties, cities, and towns will be particularly important if we are to tap our full potential for energy conservation and the use of renewable resources. CEMPA would help both to improve energy planning and management capabilities of these political jurisdictions and to create the framework for a mutually supportive partnership at all levels of government.

CEMPA is still in its formulative stages, but its general outline is clear. The bill would provide approximately \$170 million annually through its "State Basic Energy Programs" and "Local Energy Management Programs" to support the following major activities:

- (1) Develop a comprehensive state energy plan, in cooperation with local governments, to meet national, state, and local energy objectives. Certain specific measures would be required in the areas of conservation and renewable resources, energy demand and supply forecasting, program coordination and management, and energy emergency planning to ensure federal funding of the state energy plan. They are discussed below. Beyond these minimal requirements, however, states and localities would have discretion to establish their own energy goals and priorities.

(2) Promote energy conservation and the use of renewable resources.

At least 60 per cent of the estimated \$150 million per year authorized under the State Basic Energy Programs must be used for renewable resource and energy conservation. Certain specific measures would be required for approval of the state energy plan. These are outlined later in this summary.

(3) Encourage coordination of state energy programs. State governments are currently faced with a patchwork of individual federal energy grant programs, each requiring separate application procedures. In addition to its requirements for a comprehensive state energy plan, CEMPA would introduce three strategies both to improve program coordination and to help the states use federal funds more for program implementation and less for grant administration. First, the bill would consolidate three existing federal energy conservation programs--the basic state conservation program (from EPCA), the supplemental state energy conservation program (ECPA), and the Energy Extension Service (expanded to a nationwide program)--into a single "core grant program." Second, states would be authorized to make a consolidated application for financial assistance for all DOE-administered state energy programs. Third, CEMPA would require that an agency in each state be responsible for coordinating the development, management, and implementation of all federally funded state energy programs as part of its responsibilities in coordinating the state energy plan.

(4) Provide energy assistance to local governments. CEMPA would encourage a local government role in three ways. First, the bill would require that local governments be allowed to become direct participants in the formulation and implementation of the state energy plan. Second, states would be required to share EMPA funds with local governments in a manner commensurate with their responsibilities in implementing the plan. Third, under the Local Energy Management Program, \$20 million per year would be authorized for three interlocking programs to stimulate broader local involvement in energy conservation and renewable resource development. These three elements -- the demonstration grants program, the documentation and distributions grant program, and the Local Energy Reference Center -- are summarized in a later section.

The State Energy Plans

Each state receiving CEMPA funding would be required to include the following basic elements in its comprehensive energy plan:

- energy supply and demand forecasts for all major supply and end use sectors;
- a projection of need for central station and on-site electric power generation facilities;

- a management plan that would identify the energy sectors in which the state can achieve the greatest energy savings, and a description of the programs the state would carry out to achieve its energy goals;
- an energy emergency plan coordinated with federal plans;
- provisions for participation by local governments and the general public;
- a description of how the state plans to implement the required energy conservation and renewable resource programs.

Energy Conservation and Renewable Resources

To receive CEMPA funding each state would be required to implement, at a minimum, these energy conservation and renewable resource measures:

- establish an energy extension service program that would make use of existing outreach delivery mechanisms such as colleges, universities, and Cooperative Extension Services;
- implement the Building Energy Performance Standards program;

- continue most of the existing EPCA conservation programs (i.e., lighting efficiency standards for state and local buildings; promotion of carpools, vanpools and public transportation; energy-conscious state procurement practices; and traffic regulations to permit right turn on red);
- develop initiatives to expand renewable resource financing by financial institutions;
- establish a program for state intervention to ensure that electric utility rate schedules do not discriminate unfairly against users of renewable energy resources;
- establish a program to use renewable resources in state and local government buildings;
- develop information activities to promote consumer protection and to help potential purchasers make informed choices;
- initiate actions to specifically encourage energy conservation and use of renewables by low income families, rural and urban residents, and in agriculture;
- draw upon the resources of the Regional Solar Energy Centers, the local Energy Reference Center, and other information and technical assistance outlets as appropriate.

Conservation and renewable resource provisions that are specifically targeted for local governments are discussed in a later section.

Special renewable resource and conservation assistance. CEMPA may also authorize an additional \$10 million per year in matching funds to support additional state conservation and renewable resource provisions which are deemed worthy of special assistance. Suggestions for the proper framework of this program and for possible provisions that would be appropriate for funding would be appreciated.

The Local Energy Management Programs

Three interrelated programs would be developed to support local energy management, and conservation and renewable resource initiatives.

A Demonstrations Grants Program would provide funding to selected localities for the development of plans to examine their energy consumption patterns and devise innovative measures to save energy or promote the use of renewable resources.

A Documents and Distribution Grants Program would assist selected localities that have already developed innovative energy programs to create practical brochures on energy initiatives they have undertaken and to make this information available.

A Local Energy Reference Center would serve as a data bank and clearing house on locally-based energy conservation and renewable resource development efforts. The Center would draw information gathered through the Documentation and Distribution Grants Program as well as other sources.

Major differences between CEMPA and
the Administration's EMPA proposal

- EMPA's "Special Energy Projects" for local governments with an annual authorization of \$5 million is replaced in CEMPA by the "Local Energy Management Act" provisions with an annual authorization of \$20 million.
- EMPA requires that at least 60 per cent of the \$105 million annually authorized for the "State Basic Energy Programs" must be spent for energy conservation, renewable resources, and emergency energy planning. At least 60 per cent of CEMPA's estimated \$150 million "State Basic Energy Programs" authorization must be spent for energy conservation and renewable resource development. This assumes that \$10 million will be made available to the states for the preparation of standby energy conservation plans via the Emergency Energy Conservation Act currently under consideration.

- CEMPA requires that all federal energy programs that include a state role be coordinated in the state energy plan. It also requires that a state agency be responsible for coordinating the development, management, and implementation of all federally funded state energy programs.
- CEMPA retains all of the existing EPCA mandatory conservation programs (except the thermal standards for buildings which are superseded by the required Building Energy Performance Standards). EMPA retains only the right-turn-on-red provision and BEPS, and makes all the other EPCA conservation programs optional.
- The renewable resource provisions under EMPA are optional. Most of the renewable resource measures under CEMPA are required. Others, funded through a \$10 million/year "Special Projects" fund, would be optional.
- CEMPA requires that the energy extension service program specifically use such existing outreach mechanisms as colleges, universities, and cooperative extension services.

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