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## **Cheers, jeers for energy bill**

### **Sen. Allard says it's a good plan; Rep. Udall disappointed**

**By Todd Neff, Camera Staff Writer  
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Local renewable-energy and energy-efficiency advocates on Wednesday criticized the energy bill expected to move through Congress this week, saying it does little to reduce dependence on imported oil.

They also said the bill gives handouts to industries that don't need them. It includes more than \$8.5 billion in tax incentives and billions of dollars more in loan guarantees and other subsidies for the electricity, coal, nuclear, natural gas and oil industries.

The White House said Wednesday that President Bush intends to sign the bill soon.

"Bottom line, it's just a terrible bill," said Jim Martin, executive director of Western Resource Advocates, a Boulder-based energy-policy nonprofit.

The bill is a compromise between differing House and Senate energy bills. The nuclear industry, corn farmers and the coal industry did particularly well with the legislation.

It would require refiners to double the use of ethanol, mostly from corn, as an additive to gasoline, reaching 7.5 billion gallons a year by 2012.

The nuclear industry reaped major benefits, including "risk insurance" totaling \$2 billion if there are permit or regulatory delays in construction of the first six new nuclear power reactors.

The bill also provides loan guarantees for future reactors and a green light for building a \$1.25 billion next-generation nuclear plant that could produce hydrogen as well as electricity.

The legislation also boosts the coal industry with loan guarantees and \$2.9 billion in tax breaks. The incentives mostly are for development of technology to make coal more environmentally friendly and develop ways to capture climate-changing carbon emissions.

Oil and gas producers would get \$1.5 billion in tax breaks as well as royalty relief for certain deep-well drilling. A \$500 million program, paid for by royalty relief, would help oil companies drill for oil in deep waters of the Gulf of Mexico. An additional \$1 billion is earmarked for coastal restoration in five states with offshore oil production.

"It's very hard to see the need for oil and gas subsidies when oil is around \$50-plus per barrel and gas is at \$7 to \$8 per million BTU," Martin said.

Greg Schnacke, executive vice president of the Colorado Oil & Gas Association, said oil-and-gas related provisions had been scaled back.

"I think the energy bill has been pitched by a lot of people as being just an oil and gas bill," he said. "I would say it's about everything else but oil and gas, although there are oil and gas provisions in the bill."

In a conference call with media Wednesday, Democratic Sen. Ken Salazar called the bill "a step in the right direction," although not the bill he would have crafted. He said the biggest disappointments were the near-absence of global-warming-related provisions and the removal of a standard requiring the nation to produce 10 percent of its electricity from renewable resources by 2020.

Salazar said he was concerned that provisions to promote oil-shale development in Colorado and neighboring states risked fueling a boom of the sort that, when it went bust, debilitated the state's economy in the 1980s.

Republican Sen. Wayne Allard said the bill was good "for Colorado and the country" and he's satisfied with the oil-shale provisions, which he said were "the product of much negotiation."

"Like most bills, this is far from perfect," Allard said. "It was important, though, that Congress act after more than three years of debate over passing an energy bill."

U.S. Rep. Mark Udall, D-Eldorado Springs, said "it seems clear that the House-Senate agreement won't provide the kind of balanced, national energy policy that strengthens our national security and makes us more energy independent."

The bill contains mandates to boost efficiency of several appliances. But Howard Geller, executive director of Boulder-based Southwest Energy Efficiency Project, says a growing list of states with the same standards renders the provisions unnecessary.

The bill is "not going to help address our real energy challenges, which are reducing our oil dependence, reducing our emissions of pollutants causing global warming and improving our energy security," Geller said.

Geller said he hopes Salazar and other Democratic senators will "do the responsible thing and block this bill from going to President Bush."

Efficiency and conservation programs would get about \$1.3 billion of the more than \$14.1 billion in total tax breaks over 10 years, according to lawmakers who have been briefed on the legislation. About \$3 billion in tax breaks would go for renewable energy sources, mostly to subsidize wind energy.