

The American Clean Energy and Security Act of 2009

Summary of Select Transportation Provisions

June 2009



The American Clean Energy and Security Act of 2009 (“ACES” or the “Act”), or H.R. 2454, passed the U.S. House of Representatives on June 26, 2009. The bill, initially released by Representatives Waxman and Markey, sets forth an ambitious and comprehensive reform of U.S. climate and energy policy. As part of this reform, the bill includes provisions intended to help the U.S. economy transition to a low-carbon transportation system.

This Summary prepared by ENE offers a section-by-section abstract of selected transportation-related provisions included in the bill appearing in Title I, Subtitle C, Sections 122, 123 and Title II, Subtitle C, Sections 221, 222, and 223. Among the provisions in these sections are financial support for large-scale demonstration of electric vehicles and financial support for automakers retooling plants in order to make electric vehicles. The bill also directs the President to work with the relevant federal agencies and California to “harmonize, to the maximum extent possible, the federal fuel economy standards, any emissions standards promulgated by the Environmental Protection Agency, and the California standards for light-duty vehicles.” The bill does not, however, include a Low Carbon Fuel Standard (LCFS), which had been proposed in earlier bill drafts.

Summary of Selected Transportation-Related Provisions

Title I	Clean Energy
Subtitle C	Clean Transportation
Sec. 121	Electric Vehicle Infrastructure <ul style="list-style-type: none">• Amends the Public Utility Regulatory Policies Act of 1978 (PURPA) to mandate that each electric utility develop a plan to support the use of plug-in electric vehicles, including heavy-duty plug-ins.• Plans can include deployment of charging stations; battery exchange and fast charging infrastructure; market triggers for deployment of infrastructure; and other similar elements determined necessary by each state to support plug-in electric vehicles• Charges state regulatory authorities and non-regulated utilities to ensure that the

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Environment Northeast is a nonprofit organization that researches and advocates innovative policies that tackle our environmental challenges while promoting sustainable economic development. ENE is at the forefront of state and regional efforts to combat global warming with solutions that promote clean energy, clean air and healthy forests.

	<p>charging infrastructure is “interoperable with products of all auto manufacturers to the extent possible” and to consider adopting minimum requirements for the deployment of the charging infrastructure.</p> <ul style="list-style-type: none"> • Directs state regulatory authorities and non-regulated utilities to establish protocols and standards for integrating plug-in electric drive vehicles into an electrical distribution system, including Smart Grid systems and devices. • Also directs state regulatory authorizes and non-regulated utilities to include, to the extent feasible, the ability for each plug-in electric drive vehicle to be identified individually and to be associated with its owner’s electric utility account, regardless of the location that the vehicle is plugged in, for appropriate billing for any electricity required to charge the vehicle’s batteries as well as crediting for electricity provided to the electric utility from the vehicle’s batteries (vehicle-to-grid or “V2G”). Time-of-use pricing is also to be considered as well as the ability for plug-in electric drive vehicles to contribute to meeting peak load and ancillary service power needs.
<p>Sec. 122</p>	<p>Large Scale Vehicle Electrification Program</p> <ul style="list-style-type: none"> • Directs the Secretary of Energy to establish a program to deploy and integrate plug-in electric drive vehicles into the electricity grid in multiple regions. The goals of the programs are: <ul style="list-style-type: none"> ○ To demonstrate the viability of a vehicle-based transportation system that is not overly dependent on petroleum as a fuel and contributes to lower carbon emissions than a system based on conventional vehicles; ○ To facilitate the integration of advanced vehicle technologies into electricity distribution areas to improve system reliability and performance; ○ To demonstrate the potential benefits of coordinated investments in vehicle electrification on personal mobility and a regional grid; ○ To demonstrate protocols and standards that facilitate vehicle integration into the grid; and, ○ To investigate differences in each region and regulatory environment regarding best practices in implementing vehicle electrification. • State, Indian tribe, or local governments can apply for financial assistance in furthering the regional deployment and integration into the electricity grid of plug-in electric drive vehicles. These applications may be jointly sponsored by electric utilities, auto manufacturers, technology providers, car sharing companies or organizations, or 2 other persons or entities. • Under the bill, the Department of Energy can provide financial assistance to be used for:

	<ul style="list-style-type: none"> ○ Assisting persons located in the regional deployment area, including fleet owners, in the purchase of new plug-in electric drive vehicles by offsetting in whole or in part the incremental cost of such vehicles above the cost of comparable conventionally fueled vehicles. ○ Supporting the use of plug-in electric drive vehicles by funding projects for the deployment of any of the following: <ul style="list-style-type: none"> ▪ Electrical charging infrastructure for plug-in electric drive vehicles, including battery exchange, fast-charging infrastructure, and other services, in public or private locations, including street parking, parking garages, parking lots, homes, gas stations, and highway rest stops. ▪ Smart Grid equipment and infrastructure to facilitate the charging and integration of plug-in electric drive vehicles. ▪ Other projects as the Secretary determines appropriate to support the large-scale deployment of plug-in electric drive vehicles in regional deployment.
Sec. 123	<p>Plug-in Electric Drive Vehicle Manufacturing</p> <p>Establishes a program to provide financial assistance to automakers to facilitate the manufacture of plug-in electric drive vehicles. This can include the reconstruction or retooling of facilities for the manufacture of plug-in electric drive vehicles or batteries for such vehicles that are developed and produced in the U.S.</p> <ul style="list-style-type: none"> • Financial assistance is available to automakers who would otherwise not be able to finance the reconstruction or retooling of facilities in order to produce plug-in electric drive vehicles, or would not be able to finance the purchase of vehicle batteries.
Sec. 124	<p>Investment in Clean Vehicles</p> <ul style="list-style-type: none"> • Enables the provision of funding to automakers for up to 30% of the cost of retooling, expanding, or establishing manufacturing facilities for advanced technology vehicles, with preference to applications for projects saving “the maximum number of gallons per vehicle.”
Title II	Energy Efficiency
Subtitle C	Transportation
Sec. 221	<p>Emissions Standards</p> <p>Directs the President to set motor vehicle greenhouse gas emissions standards that:</p> <ul style="list-style-type: none"> • Are achievable by the automobile manufacturing companies; • To the extent practicable, harmonize CAFE standards that may be set by the National Highway Traffic Safety Administration, Clean Air Act standards that

	<p>may be set by the Administrator of the Environmental Protection Agency; and standards that have or may be set by the state of California.</p> <ul style="list-style-type: none"> • Achieves at least as much emissions reductions as would be achieved by implementation of the California law AB 1493 (Pavley) if enforced in the State of California and the other states that have adopted the standard; and, • Do not preempt California’s legal authority to adopt and enforce its own mobile source emissions standards. <p>The bill amends the Clean Air Act to call for greenhouse gas emissions standards for heavy-duty on-road vehicles as well as non-road vehicles and engines, and aircraft.</p> <ul style="list-style-type: none"> • Each state will be required to submit goals for transportation-related greenhouse gas emissions reductions to the Administrator of the EPA.
Sec. 222	<p>Greenhouse Gas (GHG) Reductions through Transportation Efficiency</p> <ul style="list-style-type: none"> • Each state has 3 years to submit goals for transportation-related GHG emissions reductions. • Metropolitan areas with population greater than 200,000 are also required to have the metropolitan planning organization (MPO) submit a plan for transportation-related GHG emissions. • State and MPO plans must establish targets to reduce mobile source emissions from transportation from levels projected under a business-as-usual scenario. • Plans may include but are not limited to a variety of measures, such as efforts to increase public transportation, updating zoning and land-use regulations, or adopting other smart growth policies. • The bill requires that states and MPOs update their plans every 4 years and make regional plans available to the public via the Internet. • The bill authorizes a competitive grant program for regions implementing the plans.
Sec. 223	<p>SmartWay Transportation Efficiency Program</p> <ul style="list-style-type: none"> • Directs EPA to establish a SmartWay Program to quantify, demonstrate, and promote the benefits of technologies, products, fuels, and operational strategies that reduce petroleum consumption, air pollution, and greenhouse gas emissions from the mobile source sector. • Directs EPA to promote best practices and drive demand for energy-efficient, low greenhouse gas transportation. • Directs EPA to promote the availability and adoption of SmartWay certified

	technologies and strategies.
Sec. 224	State Vehicle Fleets <ul style="list-style-type: none"> • Amends the Energy Policy Act of 1992 with respect to the types of alternative-fueled vehicles required for compliance of Sec. 303 of ACES.
Title III	Reducing Global Warming Pollution (Cap and Trade)
Subtitle A	Reducing Global Warming Pollution
Sec. 331	Reducing Global Warming Pollution See ENE, “American Clean Energy and Security Act of 2009: Summary and Preliminary Recommendations” April 10, 2009 online at www.env-ne.org .

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