

## Overview of Clean Energy Jobs and Oil Accountability Act

111<sup>th</sup> Congress, released July 27, 2010 (summary released July 28, 2010)

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*Note: Not all subtitles and sections of the Act are included here, only those creating, limiting, or otherwise affecting a role for states.*

### **Summary**

The “Clean Energy Jobs and Oil Accountability Act,” aims to reform offshore oil drilling regulation, strengthens tools to prepare for and respond to an oil spill, creates rebate and incentive programs for natural gas vehicles and electric vehicles, creates a national energy efficiency building retrofit rebate and financing program (Home Star), and funds the Land and Water Conservation Fund.

Of particular interest to states:

- **Oil Spill:** Coastal states are eligible for new funding for disaster response and coral reef disaster response.
- **Electric Vehicles:**
  - States or municipalities may compete to be selected as electric vehicle “deployment communities,” which would receive grants to facilitate implementation of deployment plans.
  - All states and municipalities may receive federal technical assistance to facilitate electric vehicle deployment.
- **Home Star:** States would receive up to \$380 million to implement quality assurance programming and financing for the federal energy-efficient retrofit rebate program.
- **Land and Water Conservation Fund:** Under the Land and Water Conservation Act, states would be eligible to receive a portion of funding authorized by the bill for the Land and Water Conservation Fund (\$900 million annually for five years).
- **Fracking Chemical Disclosure:** States may require oil and natural gas drilling operators to disclose chemicals used in the hydraulic fracturing process; disclosure will be otherwise required by federal law.

### **Division A: Oil Spill Response and Accountability (& Division E: Fiscal Responsibility)**

**Summary:** Removes many liability caps on offshore oil spills and other maritime accidents and raises the penalties for other violations. (Secs. 102-103, 402, 502-506). Division A also: tightens requirements for offshore drilling permits, (Sec. 104); extends the federal government’s role in preventing oil spills and responding to such disasters, including expanding research and development to fill technology gaps, as well as creating comprehensive emergency response plans, (Secs. 202-205, 615-634); and reorganizes the Department of the Interior’s management structure with regards to the outer continental shelf leasing to minimize the potential for conflicts of interest, (Secs. 304-307). It also provides subpoena power to the Deepwater Horizon Oil Spill Commission. (Sec. 801). Finally, Division A eases access to the Oil Spill Liability Trust Fund, (Sec. 106), and Division E increases the liability cap of the fund to \$5 billion and increases the amount that oil companies are required to pay into the fund. (Sec. 5001).

### **New Sources of Potential Funding for States:**

- The bill amends the Coastal Zone Management Act to authorize federal grants to eligible coastal states to support enhanced disaster response through management plan revision, increase data collection, and enhance enforcement policies. The bill allows for grants of up to \$750,000 per state for fiscal years 2011-2015, with no state matching requirement. (Sec. 614).

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- The bill also amends the Coral Reef Conservation Act to permit provision of federal emergency assistance to any state, local or territorial government agency with jurisdiction over coral reef ecosystems to address unforeseen or disaster-related circumstances pertaining to coral reef ecosystems. (Secs. 901-910).

### **Division B: Natural Gas and Electric Vehicles Titles**

**Summary:** Creates alternative vehicle rebate and incentive programs, including: a \$3.8 billion rebate program for the purchase of natural gas vehicles (focused on vehicles over 8,500 pounds); grants for natural gas refueling infrastructure and manufacturing of improved technologies; and direct loans for manufacturers of new alternative fuel motor vehicles and components. (Secs. 2001 to 2005). The bill also creates an Electric Vehicle Promotion Program that provides grants and supports for electric vehicle deployment, including grants for selected state or local governments. (Secs. 2101-2135).

#### **Electric Vehicle (EV) Promotion Program:**

**Deployment Communities:** The EV program would create a \$400 million, 3-year “deployment communities” program, which would provide grants to selected communities to achieve their deployment plans. The Secretary will select between 5 and 15 “communities” from state, tribal or local governments that apply within a year of enactment. Communities applying for the program would be required to develop “community deployment plans” detailing partnerships with stakeholders and plans for achieving significant deployment. (Sec. 2116).

**Technical Assistance to States and Local Governments:** DOE would be required to provide technical assistance to state, local and tribal governments to assist with EV deployment, upon request of those governments, with priority provided to governments that have demonstrated actions to facilitate or plan for deployment. Technical assistance grants would also be competitively awarded to states and local governments. (Sec. 2113)

The EV promotion program would also: require the Department of Energy to study and plan for national deployment of electric vehicles, including setting national goals for 2020 and 2030 market penetrations, (Sec. 2112); provide grants for training of electric vehicle infrastructure and support service workers (Sec. 2114); require electric utilities to plan for deployment of electric vehicles in their area and require that state utility regulators participate in local deployment planning, (Sec. 2131); and establish other grant and incentive programs to research and promote other aspects of electric vehicle technology and deployment.

### **Division C: Home Star Energy-Efficient Retrofit Rebate and Financing Programs**

**Summary:** Establishes a \$5 billion Home Star retrofit program, which provides partial rebates and financing for qualified improvements to home energy efficiency.

**Home Star Retrofit Rebate Program:** Federal funds would be provided to contractors through rebate aggregators, entities which may include state-approved residential energy efficiency retrofit program administrators. (Secs. 3003-3005). Eligible contractors must satisfy state licensing requirements (or federal requirements if there are no state requirements). (Sec. 3004). Contractor work would be subject to compliance confirmation by a quality assurance provider, which may include a state or a state-approved residential energy efficiency retrofit program. (Sec. 3006). DOE would provide technical support to states and rebate

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aggregators and implement a public education campaign. (Secs. 3003, 3012). The Secretary of Energy is directed to work with states to develop guidelines on how to count energy savings created by utilities serving as rebate aggregators for the purposes of state savings targets. (Sec. 3005).

**Home Star Efficiency Loan Program** would provide grants to states to support financial assistance provided by qualified program delivery entities. Funding to states is allocated through the energy conservation plan formula (as established in the Energy Policy and Conservation Act (EPCA), 42 U.S.C. § 6323 (b)(3)), which considers as factors: 1) the contribution to energy conservation which can reasonably be expected, and 2) the number of people affected by such plan. State loan programs must meet DOE criteria. (Sec. 3015).

**Grants to States and Tribes:** The Department of Energy would provide up to \$380 million in grants to states and tribes that could be used for administrative costs, oversight of quality assurance programs, financing pilot programs and other related purposes. (Sec. 3009). Grants would be conditioned on state implementation of a quality assurance framework within one year of implementation of the bill. (Sec. 3010). Of the available funding, 25% shall be allocated under the EPCA formula and the remainder shall be allocated under a “performance-based” system. At least \$200 million of the available funding would be required to be used to carry out the efficiency loan program in Sec. 3015. (Sec. 3016).

## Division D: Land and Water Conservation Authorization and Funding & Fracking Disclosure

**Summary:** Funds the previously established Land and Water Conservation Fund at \$900 million annually for fiscal years 2011 through 2015. Under the Land and Water Conservation Fund Act (LWCFA), states are eligible to receive funds appropriated to the Fund as matching grants for outdoor recreation planning, land acquisition and development. (16 U.S.C. § 4601-8). Amends the LWCFA to require that the President annually transmit a priority list for federal land acquisition projects, and funding will be earmarked for that list unless Congress passes an alternate list. (Sec. 4002). Creates a \$75 million watershed restoration program. (Sec. 4003). Provides authority to the Fish and Wildlife Service to ensure damages to refuges and fish-hatcheries can be recovered. (Secs. 4103-4104). Creates a \$2.5 billion Gulf Coast Ecosystem Restoration Task Force charged with creating a comprehensive restoration plan and selecting and funding projects to implement the plan. (Sec. 4201).

**Disclosure of Hydraulic Fracking Chemicals:** States that permit oil and natural gas drilling may require disclosure of chemicals used in hydraulic fracturing process, and if a state chooses to do so, shall make disclosures available to the public. If a state chooses not to require disclosure, federal law would require the operator to disclose the information to the public. (Sec. 4301).

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