



## Fact Sheet: White House Recommendations on Energy Conservation

### Proposals preview upcoming energy policy initiatives

The White House released a fact sheet May 12 explaining recommendations to improve and expand energy conservation initiatives. The recommendations are announced just as the Bush administration prepares to release a comprehensive new energy policy, coming from the National Energy Policy Development Group led by Vice President Cheney.

*Following is the text of the White House fact sheet:*

#### **The White House Office of the Press Secretary**

May 12, 2001

### Fact Sheet: 21st Century Energy Conservation:

"Pushing conservation forward will require investment in new energy technology. And that will be a part of my Administration's energy plan." President George W. Bush, May 12, 2001

Next week the National Energy Policy Development Group (NEPD), chaired by Vice-President Cheney, will make its policy recommendations to the President. Provided below are a few of the NEPD's recommendations to promote 21st Century energy conservation.

**Expand Combined Heat and Power Projects:** Because of their large needs for both heat and electricity, businesses find Combined Heat and Power (CHP) systems particularly attractive. However, replacing old, inefficient boilers with highly efficient CHP systems can add a number of new regulatory requirements (such as air permits), without offering the same depreciation incentives the tax code grants to power plants.

#### **Recommendations:**

1. Direct the Secretary of Treasury to work with the Secretary of Energy and Congress to encourage increased energy efficiency through combined heat and power projects by shortening the tax depreciation life for CHP projects to 7 years.
2. Direct the Administrator of the Environmental Protection Agency to work with local and state governments to encourage the use of well-designed CHP and other clean power generation at brownfields sites, consistent with the local communities' interests. EPA will also work to clarify liability issues if they are raised at a particular site.
3. Direct the Administrator of the Environmental Protection Agency to promote combined heat and power through flexibility in environmental permitting to the extent permitted by law.

Provide Incentives for Hybrid/Fuel Cell Vehicles Hybrid vehicles use power electronics and battery storage to get more out of every gallon of gasoline consumed, and provide the ability to double vehicle mileage.

A recent National Energy Laboratory Report indicates that the fuel economy of a typical automobile could be enhanced by 60 percent by increasing engine and transmission efficiency and reducing vehicle mass by about 15 percent. Several promising efficiency technologies are being presented to the U.S. market. Automobile manufacturers are developing and have already introduced hybrid vehicles. Advanced lightweight materials offer up to 6 percent improvement in mileage for each 10 percent reduction in body weight.

**Recommendation:** Direct the Secretary of the Treasury to work with Congress to provide an individual, temporary, efficiency-based income tax credit be available for purchase of new hybrid (gasoline/electric) or fuel cell vehicles between 2002 and 2007.

### **Expand the Consumer Energy Efficiency Programs:**

The Federal government not only ensures consumers have information on the energy efficiency of major home appliances, it also promotes the most energy efficient products in office buildings through the Energy Star program, a joint program run by the Department of Energy (DOE) and the EPA. Energy Star is awarded only to appliances that significantly exceed minimum energy efficiency standards. The Energy Star program does not extend to all products. Energy efficiency would be further promoted if the Energy Star program were expanded to a broader range of products.

### **Recommendations:**

1. Direct the Secretary of Energy to promote greater energy efficiency of appliances and buildings. Specifically,
  - a. Expand the Energy Star program beyond office buildings to include schools, retail buildings, health care facilities, and homes;
  - b. Extend the Energy Star labeling program to additional products, appliances and services; and
  - c. Strengthen DOE public education programs relating to energy efficiency.
  
2. Direct the Administrator of the EPA to develop and implement a strategy to increase public awareness of the sizeable savings that energy efficiency offers to homeowners. The typical homeowner can save about 30 percent (about \$400) a year on their home energy bill by using Energy Star labeled products such as computers, air conditioners and other products.

*end White House Fact Sheet*

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