

Challenges and Opportunities for State and Local Governments

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Discussion Points

- **The Many Layers of Regulation and Legislation**
- **General Governments and Public Utilities**
- **Incentives**
- **Challenges to credit quality**

Federal Action

U.S. Congressional actions

- Clean Air Acts and related emissions legislation
- Energy Policy Act of 2005
- American Recovery and Reinvestment Act of 2009 (the Stimulus)
- Waxman-Markey (H.R. 2454, pending)
- Bingaman (S. 2462, pending)
- Numerous other proposals

➤ U.S. Executive Branch

- Environmental Protection Agency (Greenhouse Gas Regulations)
- Justice Department
- Administers D.O.E. loan programs (Nuclear and Solar, etc)
- From Kyoto to Copenhagen

The U.S. States - 50 Ways to Set Policy

Legislative

- Renewable Portfolio Standards
- Conservation Mandates and Incentives

➤ Executive

- Public Service Commissions
- Power Plant permitting

➤ California takes the Lead

- A.B. 32 “Global Warming Solutions Act”
- S.B. 1369 No more coal
- Florida, Colorado, Maine also notable

➤ Who Pays?

- Corporate vs. Municipal
- What are the penalties
- Automotive, Electric Generation, Industry?

The Local Level

- **Spirit and Awareness**

- **Recycling**

- **Building Ordinances**

- **Community Owned Utilities**
 - **Water:** Conservation. Preservation

 - **Electric:**
 - Efficiency and Level of Usage
 - Smart Metering
 - Renewable and Green Energy options
 - Feed-In-Tarriffs

Incentives

➤ Federal

- Investment and Production Tax Credits
- Energy Efficient Appliance Tax Credits
- Accelerated Depreciation
- Debt Financing Incentives (BABs, CREBs)
- U.S. Department of Energy Loan Guarantees
- Residential Renewable Energy Tax Credit
- Renewable Energy Grants
- Tribal Energy Program Grants
- U.S. Department of Agriculture Rural Energy program

➤ States

- Weatherization and Heat Pumps Loans
- Solar Panel Grants
- Commercial Lighting Rebates
- Appliance Standards
- Green Building Incentives
- Low interest Loans
- Feed-In-Tariffs
- PACE

➤ Local Governments

- Demand Side Management
- Free Light Bulbs
- Builder Rebates
- Property Tax Exemptions
- Countless Others

Challenges To Credit Quality

➤ Funding the Incentives

- Impact on Balance Sheets
- Ultimately, does the consumer pay?

➤ Remaining Economically Competitive

- Globally
- Regionally
- Locally

➤ Electric Transmission

- Cost
- Capacity

➤ Electric Generation

- New Technologies
 - Costly, unproven
 - Will they deliver the promised carbon reductions?
 - Will Nuclear advance, and at what cost

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