

Obama Administration Record on an All-of-the-Above Energy Strategy

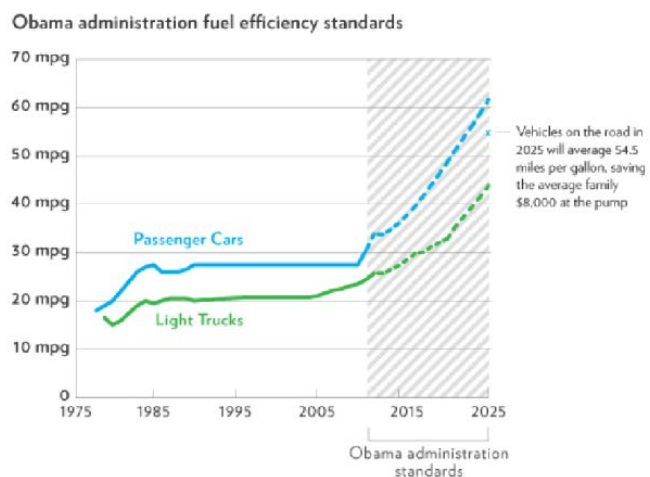
“We’ve got to invest in a serious, sustained, all-of-the-above energy strategy that develops every resource available for the 21st century. We’ve got to choose between the past and the future. And that’s a choice we shouldn’t be afraid to make because we’ve always bet on the future, and we’re good at it. America is good at the future. We are good at being ahead of the curve. We’re good at being on the cutting edge.”

– President Barack Obama, March 15, 2012

For decades, volatile energy prices have threatened economic security for millions of middle class Americans. That volatility has hit consumers hard, raising gas prices and straining budgets for millions of American families. It’s a familiar story, but in order to restore lasting security for middle class families we need a sustained plan for American energy. To create an economy that’s built to last, we need to take control of our own energy future by out-innovating and out-building our global competitors. During the State of the Union Address, President Obama laid out a blueprint for a new era of American energy – an economy fueled by homegrown and alternative energy that will be designed in America and produced by American workers. The President is committed to an all-of-the-above strategy that expands production of American energy resources, like oil and natural gas; increases energy efficiency to save families and businesses money at the pump; and develops cleaner, alternative fuels to reduce our oil dependence. The Obama Administration’s record on creating a cleaner, safer, more innovative and secure energy future includes:

Helping Families and Businesses Save on Energy Costs: For too long, the high cost of energy has squeezed middle-class families and hurt business’ competitiveness. That’s why President Obama has enacted new fuel economy standards and supported weatherization programs, helping families and businesses save money on energy.

- **Raising Fuel Economy Standards:** Taken together, the Obama Administration’s standards for cars and light-duty trucks span model years 2011 to 2025 and represent the first meaningful update in over three decades. Under this program, average fuel efficiency will reach a performance equivalent of 54.5 miles per gallon by 2025 and will save consumers \$1.7 trillion at the pump over time – or roughly \$8,200 per vehicle – and slash oil consumption by 2.2 million barrels a day by 2025. The Administration has also finalized the first-ever national fuel efficiency and greenhouse gas (GHG) emission standards for heavy-duty trucks, vans, and buses spanning model years 2014-2018, which will reduce oil consumption by over 500 million barrels, and save truck owners and operators more than \$50 billion in fuel costs. The ambitious goals established in



MY1978-2011 figure are NHTSA Corporate Average Fuel Economy (CAFE) standards in miles per gallon. Standards for MY2012-2025 are EPA greenhouse gas emission standards in miles per gallon equivalent, incorporating air conditioning improvements. Dashed Lines denote that standards for MY2017-2025 reflect percentage increases in Notice of Proposed Rulemaking.

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these standards will drive innovation in the manufacturing sector and help create high-quality jobs across the country. Major auto manufacturers are already heavily invested in developing advanced technologies that can significantly reduce fuel use and greenhouse gas emissions beyond the existing model year 2012-2016 targets. A wide range of technologies are currently available for automakers to meet the new standards, including advanced gasoline engines and transmissions, vehicle weight reduction, lower tire rolling resistance, improvements in aerodynamics, diesel engines, more efficient accessories, and improvements in air conditioning systems. The new standards should also encourage manufacturers to explore electric technologies such as start/stop, hybrids, plug-in hybrids, and electric vehicles. Notably, the model year 2017-2025 proposal includes a number of incentive programs to promote early adoption and introduction of “game changing” advanced technologies, such as hybridization for pickup trucks. Developed in partnership with 13 auto manufacturers including Ford, GM and Chrysler, the State of California, the United Auto Workers (UAW), consumer and environmental groups, and other stakeholders, these achievable and cost-effective standards represent the most significant federal action ever taken to improve fuel economy and reduce carbon pollution. In fact, these standards will bring the nation over halfway to the President’s goal of reducing oil imports by a third by 2025. The President’s national fuel economy program represents a key component of the comprehensive energy policy that this Administration has pursued since day one, which aims to increase safe and responsible energy production at home while reducing our overall dependence on oil with advanced biofuels and greater efficiency.

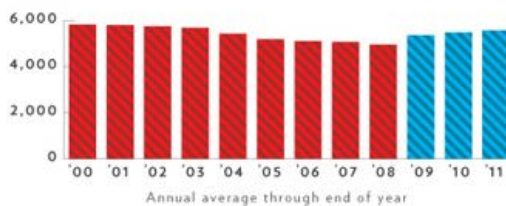
- **Reducing Building Energy Costs:** Since October 2009, the Department of Energy (DOE) and the Department of Housing and Urban Development (HUD) have completed energy upgrades in more than one million homes. DOE’s Weatherization Assistance Program alone has completed energy efficiency upgrades in approximately 860,000 homes across the country. On average, these upgrades save American families more than \$400 on their heating and cooling bills in the first year alone. The Better Buildings Initiative the President announced in February 2011, combining administrative actions, a challenge to the private sector, and legislative proposals, is aimed at improving energy efficiency in commercial buildings by 20 percent by 2020.
- **Leading by Example in Sustainability:** As part of the President’s commitment to a strong national defense, the Defense Department is harnessing energy efficiency and new energy technologies to give our troops better energy options. Through energy improvements, including \$2.5 billion in Fiscal Year 2013 investments, our military will be better able to project and sustain forces around the world and improve energy security at our bases. Progress is also being made in other parts of the Federal Government, and, in April 2011, Federal agencies and departments released the first Office of Management and Budget (OMB) Sustainability/Energy Scorecards. These scorecards enable agencies to target and track the best opportunities to lead by example in utilizing clean energy and meeting a range of energy, water, pollution, and petroleum reduction targets.

Building a Domestic Energy Economy: Under President Obama’s leadership, we are expanding homegrown energy sources that are produced by American workers, while also diversifying our energy economy and increasing our energy security, all while reducing pollution.

- Encouraging the Production of America’s Energy Resources:** Since President Obama took office, domestic oil and gas production has increased each year. At the same time, our reliance on foreign oil has decreased, and that trend is expected to continue thanks in part to the historic fuel economy standards established by President Obama, effectively doubling the efficiency of the cars we drive and saving consumers thousands at the pump. In 2011, U.S. crude oil production reached its highest level since 2003, increasing by an estimated 120,000 barrels per day over 2010 levels. Overall, oil imports have been falling since 2005, and net imports as a share of total consumption declined from 57 percent in 2008 to 45 percent in 2011 – the lowest level since 1995. In addition, U.S. natural gas production grew by more than 7 percent in 2011 – the largest year-over-year volumetric increase in history – and easily eclipsed the previous production record set in 1973. In November 2011, the Department of the Interior (DOI) announced the proposed 2012-2017 Outer Continental Shelf (OCS) Oil and Gas Leasing Program, which makes more than 75 percent of estimated undiscovered technically recoverable oil and gas resources on the U.S. OCS available for exploration and development.

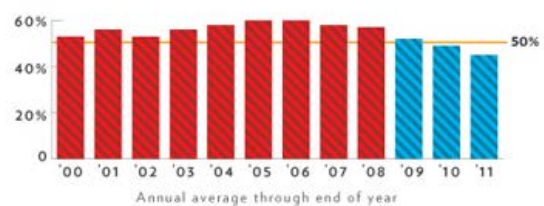
DOMESTIC OIL PRODUCTION IS UP. FOREIGN IMPORTS ARE DOWN

U.S. PRODUCTION OF OIL RISING UNDER OBAMA
Domestic production of crude oil - thousands of barrels per day



SOURCE: EIA

U.S. DEPENDENCE ON FOREIGN OIL DECLINING
Net imports as a share of domestic consumption



SOURCE: EIA

- Jumpstarting the Domestic Nuclear Energy Industry:** In 2010, the Department of Energy issued a conditional commitment for a loan guarantee to support the first commercial U.S. nuclear reactors in more than three decades. The project, which received its combined operating and construction license in February 2012, is located in Burke, Georgia, and is expected to support 3,500 construction jobs and 800 permanent jobs. When built, the plant will be able to provide clean electricity to nearly 1.4 million people.
- Accelerating the Development of New Fuel Technologies:** In 2011, President Obama set a goal of breaking ground on at least four commercial scale cellulosic or advanced biorefineries by 2013. That goal has been met one year ahead of schedule. Along with demonstration and pilot projects, these facilities have nearly 100 million gallons per year of biofuels capacity. EPA’s implementation of the National Renewable Fuels Standard (RFS) has also supported the growing domestic renewable fuels industry. Last year, industry reported production of approximately 14 billion gallons of renewable fuels, about 8% of total U.S. highway vehicle fuel. In addition, responding to the President’s March 2011 request, the Secretaries of Agriculture, Energy, and the Navy announced in August 2011 an intention to partner with the private sector to help produce advanced drop-in biofuel to power military and commercial transportation.

- **Leading the Charge in Advanced Battery Production:** In 2009, the U.S. accounted for just 2 percent of the world's advanced battery manufacturing, having only 2 factories. Since then, we have supported 30 new advanced battery and electric vehicle component plants opening across the country so that, by 2015, the U.S. will be able to produce enough batteries and components to support one million hybrid and electric vehicles.
- **Doubling Renewable Energy Generation:** The Obama Administration has made the largest investment in clean energy in history and the United States has nearly doubled renewable energy generation since 2008. In fact, last year, according to industry experts, the United States reclaimed the title as the world's leading investor in clean energy technologies. Through initiatives such as the 1603 Treasury program, which partially reimburses the cost of renewable energy installations and the Production Tax Credit (PTC), which provides a tax credit for the production of utility-scale renewable energy production, the Administration has dedicated itself to encouraging the growing clean energy economy. In addition to these tax programs, DOI has worked to make public lands accessible for renewable energy projects. Since 2009, 29 onshore renewable energy projects, with a capacity of about 6,600 megawatts, have been approved. In addition, through loan programs, DOE has supported nearly 40 clean energy projects that are expected to employ more than 60,000 Americans, generate enough clean electricity to power nearly 3 million homes, and displace nearly 300 million gallons of gasoline annually. The programs are supporting the world's largest wind farm, the first new U.S. nuclear plant in three decades, and several of the largest solar photovoltaic generation facilities.
- **Creating the Jobs of the Future:** The Recovery Act invested more than \$90 billion in clean energy – the largest clean energy investment in American history. This support has encouraged a growing economy by supporting wind and solar farms, commercial-scale cellulosic ethanol biorefineries, and other technologies. As determined by the Bureau of Labor Statistics (BLS) in their March 2012 report, there were 3.1 million jobs associated with the production of green goods and services in the United States in 2010.

Leveraging American Innovation for a More Secure Energy Future: American innovation and ingenuity has always been one of the country's greatest assets – and it is no different when it comes to energy technologies. So encouraging and supporting our nation's scientists, engineers, and garage inventors has always been an important component to the President's plan for securing our energy future.

- **Spurring Innovation in Clean Energy:** In 2009, the Administration funded ARPA-E for the first time ever with \$400 million in Recovery Act funds. The new agency invests in projects that swing for the fences – high-risk, high-reward efforts to develop transformational energy technologies. Building upon the initial investment, in late September 2011, the ARPA-E program announced 60 cutting-edge research projects in 25 states. The Recovery Act also provided \$16.8 billion for the DOE Office of Energy Efficiency and Renewable Energy (EERE), including \$2 billion in grants for advanced battery manufacturing that are enabling the U.S. to develop strong domestic battery and electric vehicle industries. The Administration is building on these investments through robust annual funding for EERE, which supports applied research and development in state-of-the-art clean energy technologies such as advanced vehicles, biofuels, industrial

and building efficiency, and solar and wind power. This R&D is creating the foundation for new industries and new jobs, accelerating the transition to a low carbon economy, positioning the United States as the world leader in clean energy technology.

- **Modernizing the Grid:** Building on the \$4.5 billion in Recovery Act investments in smart grid technology demonstrations and deployments, the Administration published a smart grid policy framework in June 2011 and has invested more than \$150 million in smart meters, grid sensors, control systems, and other smart grid technologies in rural America. And since January, the Administration has announced that 15 major utilities and electricity suppliers have committed to the industry-led “Green Button” initiative so that over 27 million households will have easy and secure access to their energy use data. Making these data available to consumers in a secure but easy-to-use way over the Internet can help them conserve energy and save money, as well as foster innovation in the energy-efficiency, building-controls, and distributed-solar industries.