



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503**

January 27, 2016
(Senate)

STATEMENT OF ADMINISTRATION POLICY

S. 2012 – Energy Policy Modernization Act of 2015

(Sen. Murkowski, R-AK)

The Administration appreciates the bipartisan support for addressing key energy and conservation priorities in S. 2012. Modernizing the Nation's energy system and the policies that govern it has been a central focus of the Administration's efforts to combat climate change, strengthen energy security and resilience, and enhance our economic competitiveness. Through investments in research, development, and deployment; fuel economy standards; the President's Climate Action Plan; the Clean Power Plan; the Quadrennial Energy Review; and other initiatives, the Administration has made considerable progress in advancing cleaner energy systems that continue to deliver reliable and affordable energy for American homes and businesses.

S. 2012 would focus on energy efficiency, energy infrastructure, energy supply, and conservation. The Administration believes that these are important issues and supports some provisions of the legislation. In particular, the bill would benefit conservation by permanently reauthorizing the Land and Water Conservation Fund and the Historic Preservation Fund, and by creating a new Park Maintenance and Revitalization Fund to help address the maintenance backlog at our National Parks. In addition, the bill would address several key energy priorities. It would reauthorize the weatherization assistance and State energy programs, support geothermal energy development, and advance energy job training, all of which support the President's Climate Action Plan.

However, the Administration has concerns with other parts of the legislation including provisions that would: generate budgetary scoring issues associated with energy savings contracts, which represent an important tool in advancing Federal sustainability; repeal existing Department of Energy (DOE) programs that aim to improve efficiency at manufacturing facilities; eliminate DOE oversight of certain technology demonstration and commercial activity at National Laboratories; eliminate independent certification requirements for certain ENERGY STAR products; potentially delay issuance of final rules by unnecessarily requiring Federal agencies to respond to reliability analyses already required under Executive Order 13211; omit key security considerations with regard to provisions dealing with cybersecurity and computing; create permitting processes and governance structures for certain energy infrastructure projects that are redundant or inconsistent with recently enacted law; and limit project reviews under the National Environmental Policy Act. The Administration appreciates the role that carbon-free hydropower plays in meeting the Nation's energy needs. S. 2012 would improve upon the hydropower relicensing provision contained in H.R. 8, but the Administration has concerns about its implementability.

The Administration looks forward to working with the Congress to address these and other concerns as the bill moves through the legislative process.

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