THE AMERICAN MADE ENERGY ACT OF 2008

- My bill, the American Made Energy Act of 2008, makes the largest investment in American made alternative and renewable energy in history and helps combat the effects of climate change on our environment, while creating new jobs right here at home. It accomplishes this by opening up our domestic resources for energy exploration and reinvesting the lease and royalty revenues from the sale of this oil and gas into alternative energy sources.

- Opening up the Outer Continental Shelf (OCS) and the Arctic National Wildlife Refuge (ANWR) increases our energy supply and brings down the cost of fuel in the short term, while paying for all of the alternative and renewable provisions in my bill to wean ourselves off oil in the long term.

- The oil provisions are just one part of a comprehensive plan to make our nation energy independent. The goal of this legislation is to move away from oil and begin investing more in alternative energy like cellulosic ethanol, biodiesel, solar, wind, nuclear, clean coal, hydropower, fuel cells, and agricultural waste for renewable electricity.

- Ross also wants to find way to clean up coal, that's why he provides $1.5 billion in credits for the creation of carbon capture and sequestration demonstration projects. These funds will be awarded to advanced coal projects which can demonstrate that they would capture and sequester the facility's carbon dioxide emissions, with the highest priority going to applicants that demonstrate the greatest carbon capture & sequestration percent of total CO2 emissions.

- Finally, this bill supports energy efficiency by extending tax credits for energy efficient homes, buildings, and properties. It also provides a consumer tax credit for the purchase of plug-in electric vehicles and flex fuel vehicles.

Supports the Development of Home Grown Biofuels

- Provides a 50 percent investment tax credit for the construction of cellulosic biomass ethanol plants, which is limited to $100 million per taxpayer and the total amount of credits cannot exceed $2 billion. A qualifying plant must produce more than 5 million gallons of ethanol each year.

- Expands the special allowance to cellulosic biomass alcohol fuel plant property. Under current law, taxpayers are allowed to immediately write off 50 percent of the cost of facilities that produce cellulosic ethanol if such facilities are placed in service before January 1, 2013. This legislation would allow this write off to be available for the production of other cellulosic alcohols in addition to cellulosic ethanol.

- Extends and increases funding (through 2010) for the Energy Policy Act of 2005's cellulosic ethanol grant program. Under this program, the Secretary of Energy may provide grants to producers of cellulosic biomass ethanol, waste-derived ethanol, and approved renewable fuels to assist in the building of eligible production facilities for the production of ethanol or approved renewable fuels.

- Extends (through 2012) the loan guarantee program for biorefineries and biofuel production plants, which provides loan guarantee authority for biorefineries, with $600 million going to loans less than $100 million, and $1 billion for loans up to $250 million.

- Extends the Biomass Research and Development Program through 2012, which provides competitive funding for research and development projects on biofuels and bio-based chemicals, administered jointly by the Secretaries of Agriculture and Energy.

- Establishes a forest bioenergy research program. This program provides $75 million to create a program to address the specific issues facing the use of woody biomass for bioenergy production, including feedstock issues such as yield and new varieties.

- Establishes an early action renewable fuel credit program to acknowledge persons for blending more than the required amount of biofuels. Under the current renewable fuel standard, obligated parties (refiners and blenders) are required to blend a certain percentage of biofuels. Under this section, obligated parties would be able to apply their additional credits to offset their advanced biofuel obligations in the future.

Biodiesel

- Extends for two years (through December 31, 2010) the $1.00 production tax credit for agribiodiesel and the 50 cents per gallon production tax credit for renewable diesel. It also extends the small biodiesel producer credit of 10 cents per gallon.

Supports Renewable Electricity

- Extends the production tax credit to 2014 for electricity produced renewable sources such as open-loop biomass, small irrigation power, landfill gas, trash combustion, hydropower, and wind facilities. It also eliminates the reduction in the rate of the tax credit for electricity produced from these sources, thus allowing the same credit rate for all renewable resource facilities.

- Expands the tax credit for electricity produced from agricultural livestock waste nutrients. The provision provides incentives for greater production of renewable energy from multiple sources by equalizing the Internal Revenue Code Section 45 tax credit rate for agricultural livestock waste nutrient facilities, expanding the Section 45 credit to include biogas, synthesis gas, and thermal energy produced from agricultural livestock waste nutrients, and eliminating the Section 45 requirement that the renewable energy produced must be sold to a third party.

- Authorizes $2 billion for new clean renewable energy bonds for public power providers and electric cooperatives. Sixty percent of the authorization must be used for qualifying projects of public power providers and forty percent must be used for qualifying projects of electric cooperatives. Qualifying projects include facilities that generate electricity from the following resources: wind; closed-loop biomass; open-loop biomass; geothermal; small irrigation hydropower; landfill gas; and trash combustion facilities.

Supports Solar, Wind, and Fuel Cell Power

- Extends and modifies the credit for residential and business energy efficient property. Extends the 30 percent credit for the purchase of residential solar water heating, solar electric equipment and fuel cell property for eight years (through 2016); the maximum credit for residential solar water heating will be $2,000 for each ½ kilowatt of capacity installed; the maximum credit for qualified fuel cell property will be $500 for each ½ kilowatt of capacity installed; the maximum credit for qualified solar electric property will be $1,500 for each ½ kilowatt of capacity installed. Authorizes the credit to be taken against the alternative minimum tax.

- Extends the 30 percent investment tax credit for business solar energy property and qualified fuel cell property for eight years through the end of 2016 and increases the $500 per half kilowatt of capacity cap for qualified fuel cells to $1,500 per half kilowatt of capacity and would allow these credits to be used to offset alternative minimum tax.

- Authorizes an investment tax credit of $1,500 per ½ kilowatt of capacity for small wind systems. A qualified property means a wind turbine of 100 kilowatts or less and 50% of the energy produced must be used onsite. It also authorizes a three year accelerated depreciation for qualified installed wind property.

Supports Alternative Vehicle Fuels

- Provides a $200 tax credit to consumers for the purchase of a flexible fuel vehicle that is a new qualified hybrid motor vehicle. Provides a $100 tax credit to consumers for the purchase of a flexible fuel motor vehicle that is not a new qualified hybrid motor vehicle.

- Provides an income tax credit for the purchase of qualified plug-in electric vehicles placed in service after 2007 and before 2015. The tax credit is allowed for the vehicle owner, including the lessor of a vehicle subject to a lease. In the case of any qualified vehicle, the plug-in electric vehicle credit equals the sum of (1) $4,000 and (2) $250 for each kWh of traction battery capacity in excess of 4kWh of traction battery capacity.

- Lifts the 50 percent cap currently in place which allows state & federal automobile fleets to count the purchase and use of biodiesel towards their alternative vehicle purchase requirements.

Supports Energy Efficiency

- Extends through 2013, an up to $2,000 credit for a traditional free-standing home and either a $1,000 or $2,000 credit for a manufactured home depending on the level of energy savings achieved.

- Increases and extends through 2013 the energy efficient commercial building deduction which establishes a tax deduction for expenses incurred for energy efficient building expenditures made by a building owner. Raises the deduction limit to $2.25 per square foot of the property, with allowances for partial deductions for improvements in interior lighting, HVAC, hot water systems, and building envelope systems.

Supports Clean Coal Technology

- Supports clean coal technology by increasing the tax credits for the creation of carbon capture and sequestration demonstration projects by $1.5 billion. Of these new incentives, $500 million would be awarded to advanced coal electricity projects, $500 million would be awarded to certain coal gasification projects, and $500 million would be awarded to coal to liquid facilities which can demonstrate that they would capture and sequester at least 65 percent of the facility's carbon dioxide emissions. Credits would be awarded by Treasury through an application process, with applicants that demonstrate the greatest carbon capture & sequestration percent of total CO_2 emissions receiving highest priority.

Supports Nuclear Power

- Provides a 20 percent investment tax credit for the construction of nuclear power facilities. The credit is limited to $2 billion.

- Sets a federal nuclear standard that 40 percent of the electricity generated in the United States should be from nuclear by 2050.

Increases Domestic Energy Production

- Ross' bill creates a federal trust fund in which the federal share of the lease and royalty revenue from oil and natural gas production in the Arctic National Wildlife Refuge (ANWR) and in the Outer Continental Shelf (OCS) is deposited. Those revenues will then be used to fund the alternative and renewable energy provisions of my bill.

- It eliminates any federal law that prohibits oil or natural gas leasing and preleasing activities for any area of the Outer Continental Shelf and provides States control over oil and gas leasing for the first 100 miles.

    - There is a prohibition on oil and gas leasing within the first 25 miles.
    - From 25-50 miles there is a State Approval Zone which allows leasing from 25 -50 miles only if a state passes legislation to allow such leasing (if a state does not act, a prohibition remains).
    - From 50-100 miles there is a State Action Zone which allows oil and gas leasing from 50-100 miles unless a state enacts legislation maintaining a prohibition. States would have 1 year to act, and must re-extend the prohibition every 2 years.
    - Finally, it opens beyond 100 miles to oil and gas leasing immediately.

- Ross' bill sets a revenue sharing regime where 37.5 percent of all bonus bids or royalty revenue must be distributed to the State and the remaining revenue is deposited into the American-Made Energy Trust Fund.

Arctic National Wildlife Refuge (ANWR)

Establishes and implements a competitive oil and gas leasing program for the Coastal Plain under the Mineral Leasing Act. The legislation provides technical guidelines for: timing of lease sales, manner of the nominations, sales, bids, requires the first sale to be conducted within 22 months after enactment. It also provides for grants of leases by the Secretary.

- Sets the strictest environmental conditions for energy development on federal lands under a "no significant adverse effect" standard using "best commercially available technology" and limits total surface disturbance to 2000 acres in Coastal Plain; requires issuance of regulations, terms, and prohibitions before implementation of the leasing program; requires compliance with all Federal and State environmental laws, and a host of other requirements, stipulations, prohibitions.

- Provides 50-50 Federal-State share of revenues from leasing -- same as other States under Mineral Leasing Act; deposits federal share of bonus bids and royalties into an energy trust fund (estimated to be $39 billion at $75 barrel oil).

- Ensures State and local laws aren't affected; Secretary may designate up to 45,000 acres as Special Areas to protect unique or sensitive areas. Sets up an up-front impact aid program for any community in Alaska that can demonstrate impacts from development to assist them providing support services for activity (medical care).