

Kyl	Roberts	Stevens
Lott	Santorum	Thomas
McConnell	Sessions	Thurmond
Murkowski	Shelby	Voinovich
Nelson (NE)	Smith (NH)	
Nickles	Smith (OR)	

The bill (H.R. 2356) was passed.
 Mr. REID. I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Disturbance in the Visitors' Galleries.)

The PRESIDING OFFICER. Expressions of approval or disapproval are not permitted in the gallery.

TO CLARIFY ACCEPTANCE OF PRO BONO LEGAL SERVICES

The PRESIDING OFFICER. Under the previous order, the Senate will consider a resolution.

The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 227) to clarify the rules regarding the acceptance of pro bono legal services by Senators.

Mr. MCCONNELL. Mr. President, this Senate resolution S. Res. 227 is very similar to a Senate resolution passed by this body in 1996. That 1996 resolution—S. Res. 321—was passed to ensure that Senators who wanted to challenge the constitutionality of the Line Item Veto Act could do so using unlimited pro bono legal services, subject to regulations promulgated by the Ethics Committee.

It is clear that the campaign finance bill that passed today—H.R. 2356—will be challenged in court if the President signs it into law. The Senate resolution which passed today makes it clear that any Member of this body may receive pro bono legal services in connection with any action challenging the constitutionality of that law.

This body is in agreement on this issue. There is no need for debate or a vote. This new Senate resolution ensures that the Senate will continue its tradition of permitting Members to utilize unlimited pro bono legal services when challenging legislation that raises serious constitutional questions.

The PRESIDING OFFICER. Under the previous order, the resolution is agreed to and the motion to reconsider is laid upon the table.

The resolution (S. Res. 227) was agreed to, as follows:

S. RES. 227

Resolved, That (a) notwithstanding the provisions of the Standing Rules of the Senate or Senate Resolution 508, adopted by the Senate on September 4, 1980, or Senate Resolution 321, adopted by the Senate on October 3, 1996, pro bono legal services provided to a Member of the Senate with respect to any civil action challenging the constitutionality of a Federal statute that expressly authorizes a Member either to file an action or to intervene in an action—

(1) shall not be deemed a gift to the Member;

(2) shall not be deemed to be a contribution to the office account of the Member;

(3) shall not require the establishment of a legal expense trust fund; and

(4) shall be governed by the Select Committee on Ethics Regulations Regarding Disclosure of Pro Bono Legal Services, adopted February 13, 1997, or any revision thereto.

(b) This resolution shall supersede Senate Resolution 321, adopted by the Senate on October 3, 1996.

Ms. LANDRIEU. Mr. President, I begin by adding my compliments to Senators FEINGOLD and MCCAIN for their extraordinary efforts in passing and helping to usher through a far-reaching piece of legislation that will hopefully close the loopholes and help Members conduct campaigns that truly meet the spirit and intent of the reform laws we have passed over the course of the last couple of years. We need to have the kind of campaigns of which we can all be proud, ones that allow people in this Nation to express their views, yet have campaigns and financing and funding that are fully and completely disclosed. I thank them and acknowledge their work.

Mr. WARNER. Madam President, today I rise to address issues related to my vote on H.R. 2356, the Bipartisan Campaign Finance Reform Bill.

For some time President Bush has clearly indicated his willingness to sign campaign reform legislation passed by the Congress. I have great respect for his judgement and this was an important consideration in making my decision to support this legislation.

The Bipartisan Campaign Finance Reform Bill is not perfect legislation, but I believe it may be the best the Congress is able to produce. I approached both McCain-Feingold and now the Bipartisan Campaign Finance Reform Bill with an open mind and feel it is in the best interests of the nation to implement achievable reform legislation rather than hold out for perfect—and probably unattainable—reform legislation.

During each of the last two Congresses I introduced my own campaign finance reform bills—"The Constitutional and Effective Reform of Campaigns Act," or "CERCA." My proposals have been good faith efforts to strike middle ground in this important debate and were offered as alternatives to the bills that have been debated before the full Senate in the past. The principal points in my bills were enhanced disclosure, increased hard dollar contribution limits, a cap on soft money and paycheck protection.

As chairman of the Rules Committee during the 105th Congress, I chaired twelve or more hearings on campaign reform including the funding of campaigns. My bill was a result of these 2 years of hearings, discussions with numerous experts and colleagues, and the result of over 2 decades of participating in campaigns and campaign finance debates.

My bill capped soft money thereby addressing the public's legitimate concern over the propriety of large soft

money donations while allowing the political parties sufficient funds to maintain their headquarters and conduct their grassroots effort.

The Bipartisan Campaign Finance Reform Bill bans all soft money. And while I would have preferred merely to cap soft money as we already cap hard money, a total ban is the only option currently on the table.

In addition to the issue of soft money, there is the issue of raising the hard money caps. Candidates for public office are forced to spend too much time fundraising at the expense of their legislative duties.

The current individual contribution limit of \$1,000 has not been raised, or even indexed for inflation for over 20 years. This situation requires candidates to spend more and more time seeking more and more donors.

The Bipartisan Campaign Finance Reform Bill increases the individual contribution limits to \$2000 and indexes that limit for inflation. My campaign finance legislation contained a similar provision which ensured that a greater percentage of political contributions would be fully reported and available for all to see.

It is my firm belief that the Congress has a responsibility, in accord with the constitution, to balance the rights of those who care to participate in the political process with the desire to improve accountability and responsibility within the campaign system.

Precisely because of my concern that previous campaign finance reform proposals did not adequately respect the First Amendment Freedom of Speech, I was compelled to write my own campaign reform proposals that focused on disclosure and accountability.

Clearly, today's legislation faces constitutional challenge, however, those decisions will ultimately have to be resolved by the judicial branch of Government.

NATIONAL LABORATORIES PARTNERSHIP IMPROVEMENT ACT OF 2001—Resumed

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (S. 517) to authorize funding the Department of Energy to enhance its mission areas through technology transfer and partnerships for fiscal years 2002 through 2006, and for other purposes.

Pending:

Daschle/Bingaman further modified amendment No. 2917, in the nature of a substitute.

Feinstein modified amendment No. 2989 (to amendment No. 2917), to provide regulatory oversight over energy trading markets and metals trading markets.

Kerry/McCain amendment No. 2999 (to amendment No. 2917), to provide for increased average fuel economy standards for passenger automobiles and light trucks.

Dayton/Grassley amendment No. 3008 (to amendment No. 2917), to require that Federal agencies use ethanol-blended gasoline and

biodiesel-blended diesel fuel in areas in which ethanol-blended gasoline and biodiesel-blended diesel fuel are available.

Bingaman amendment No. 3016 (to amendment No. 2917), to clarify the provisions relating to the Renewable Portfolio Standard.

Lott amendment No. 3028 (to amendment No. 2917), to provide for the fair treatment of Presidential judicial nominees.

Lott amendment No. 3033 (to amendment No. 2989), to provide for the fair treatment of Presidential judicial nominees.

Lincoln modified amendment No. 3023 (to amendment No. 2917), to expand the eligibility to receive biodiesel credits and to require the Secretary of Energy to conduct a study on alternative fueled vehicles and alternative fuels.

Kyl amendment No. 3038 (to amendment No. 3016), to provide for appropriate State regulatory authority with respect to renewable sources of electricity.

Mr. REID. Mr. President, if this unanimous consent agreement is approved, the majority leader has authorized me to announce there will be no more votes tonight.

I ask unanimous consent there be 2 hours for debate remaining today with respect to the Kyl second-degree amendment numbered 3038, with the time equally divided and controlled in the usual form, with no intervening amendment in order prior to a vote in relation to the Kyl amendment; that when the Senate resumes consideration of S. 517 on Thursday, March 21, there will be 4 minutes of debate equally divided and controlled in the usual form; that upon the use or yielding back of that time, without further intervening action or debate, the Senate vote in relation to the Kyl amendment; provided further, 30 minutes of the Democratic time be under the control of Senator LANDRIEU.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. We have discussed this on our side and adhere to the proposal by the majority whip.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. REID. Pursuant to the order previously entered, I ask that the Senator from Louisiana now be recognized for 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Louisiana.

AMENDMENT NO. 3038

Ms. LANDRIEU. I rise, Mr. President, to speak about the pending business, which is the energy bill that has been laid down by Senator BINGAMAN and worked on very aggressively on both sides of the aisle.

We are trying to fashion an energy bill that works for our Nation and accomplishes a couple of very broad goals. One of those goals that I think is most crucial and critical to meet in terms of the outcome of this debate is the goal of energy independence for the United States of America.

The goal is self-reliance. It is a value, a tradition of America that has served this Nation very well, that we produce what we consume. We relied on our

strengths and our resources to lift this country from a cluster of small colonies over 200 years ago, to a great nation, perhaps the greatest nation ever to be born and developed in this world, using a political system that, while not perfect, is admired by many countries and used as a model.

We have also proven that our free enterprise system, our economy, the rule of law, the transparency of our financing, the ability to gather capital and invest in business, really produces great wealth, not just for the few but for the many. That is the challenge of this world. It is not just to enrich a few, but it is to build a broad middle class, to lift those up off the bottom and to provide opportunity as far as the sky for those at the top. We, again, are perfecting that in the United States. We are not there yet. I would like to see this continue.

I came to the Senate to try to work on a lot of different ideas, frankly, about how we could continue this great progress. One of the goals central to the continuation of this is—what does our economy need besides good ideas and an infusion of capital? What else does our economy need to grow? One of the things it needs is power. It needs electric power. It needs power to run the various factories and enterprises and systems that undergird this economic growth.

We find ourselves debating how we can achieve greater efficiencies as well as greater supplies of energy to generate this power. There is a debate about what are the best ways to generate this power. That is part of what the Kyl amendment is about.

I think the renewable portfolio that we are debating is something worth fighting for. Before I get into that, let me make a few broad comments.

I spent some time last week on this floor, arguing that we have declared one Declaration of Independence, but we need now, after over 200 years of living under that declaration, to declare a new Declaration of Independence, and that would be an independence from foreign sources of oil and gas.

In my book, the No. 1 reason for that is national security. That is very clear to the American people now, post-September 11. The American people are beginning to put together the compromises that unfortunately have to be made in our foreign policy when we depend so heavily on sources of energy from some of the most unstable and unfriendly places in the world.

Americans are starting to ask the question: Why would we import millions of barrels of oil from Iraq when we have sanctions against that country, when we are flying sorties over that country and bombing them at least once a week, trying to protect America's interests?

Our veterans are starting to ask this question: Why are we sending our young people to try to protect these oil and gas supplies when we have such an ample supply here in the United States?

Last week I spoke about why it was important for us to develop the supplies of oil and gas in our Nation. In Louisiana we have off our shores one of the great sources of energy for this country.

There are any number of leases, both active and those that have not been leased yet, tracts of land, that can produce ample supplies of gas and oil which can move our country forward. We have to ask ourselves: Why would we be dependent on foreign sources when there are resources right here at home? There are resources not only off the shore of Louisiana and Mississippi and Alabama, but off Florida, some parts of the east coast and the west coast, as well as in a small portion of Alaska which could provide a tremendous resource for this Nation.

Veterans are beginning to ask that question. Senior citizens are beginning to ask that question, as are taxpayers, who pick up the tab for this war on terrorism. Believe me, it is a heavy burden. It is a burden we are willing to bear.

This chart shows the riches of offshore Louisiana. We have been proud to help this Nation produce the oil and gas necessary to fuel the greatest economy on Earth and we are doing it in a much more environmentally sensitive way. There is tremendous potential out here.

The reason I am in the Chamber today is not to go into more detail about this exactly, but to also say that as strongly as I feel about increasing the production of fossil fuels, I also am aware—which is why I am going to oppose the Kyl amendment—this Nation needs to do a great deal more to pursue and develop our renewable portfolio. We need new sources of power that are not finite, sources such as solar and wind power.

While I do not like all the details of the mandates, I do think we would be very remiss in the Senate if we did not attach to Chairman BINGAMAN's bill a renewable mandate. Our ultimate goal is not only low emissions. Not only do renewables lower our emissions and improve our environment, but most importantly it helps relieve our dependence on foreign sources of oil and gas.

So I am opposing the Kyl amendment and joining with Senator BINGAMAN, asking both Democrats and Republicans to let us have a strong vote for renewables. I do not agree exactly with the way this amendment has been crafted. I am hoping in conference it will be perfected to make sure we are providing the right incentives for renewables in such a way that consumers do not have to pick up too great a tab.

I think this amendment can be worked with. But to pass this energy bill off the floor of the Senate without a real commitment to renewables would be a mistake. It will not get us any closer any faster to a point where Americans can say we don't need Iraq, we don't need Saddam Hussein, and we don't need places in the Mideast to send us oil.

With renewables, with a focus that Senator DOMENICI is leading us on in a more robust, safe, environmentally friendly nuclear infrastructure—which now produces 20 percent of the power in our Nation—with Domenici and Landrieu and others' amendments that have been offered to this bill, we can increase nuclear production in a smart and sophisticated way and provide even additional power.

The third leg is opening up domestic production in our Nation.

The Gulf of Mexico is divided into the western section, which is off Texas, and the middle section, which is off Louisiana and Mississippi. Then the eastern section, which is part of Alabama and Florida, has been closed to drilling. In the middle section, each one of these dots represents 3 miles. We are looking at about 200 miles off our shore. The red dots and red squares are leases that are actually under production.

There is gas coming into our Nation through huge pipelines which distribute gas and power to many States in this country. It is estimated by MNF that there is 100 trillion cubic feet of natural gas in just this one section of the gulf.

Natural gas meets the new environmental emission standards. Natural gas burns cleaner. Natural gas taken from the Gulf of Mexico is distributed to people all over the southern part of the United States. Supplies are shipped to the southern parts of the United States, thereby generating wealth, creating jobs, and creating opportunities—good jobs where men and women can feed their families, pay the mortgage on their house, send their children to school, and put some money in the bank for their families so they can be upwardly mobile and become a solid part of the middle class—not jobs flipping hamburgers or carrying luggage that are in some ways dead-end jobs. They are good for starter jobs, but they are not good if you are trying to send kids to school or college. These are good jobs that can be created right here in the United States.

We have 100 trillion cubic feet of gas. Technology allows us to get it. We could supply the Nation for 5 years from just this part of the gulf. We need about 22 trillion cubic feet a year.

Imagine if we could have a bill that could leave this floor. That would be quite a miracle. I believe in miracles. I have seen quite a few of them in my life. If we had a bill that could leave this floor and open domestic production in an environmentally safe and sound way—open production around the country that is closed, including ANWR—and have attached to this bill a real effort to create and generate renewable energy, we could potentially within a few years wean ourselves off the oil and gas coming from places in the world that we don't want to have to be involved in unless absolutely necessary, because it requires the support of the Treasury and the life and health of Americans.

I know there will be Members who do not agree and want to support the Kyl amendment. But I oppose it on the principle that we need a strong, renewable portion.

The Senator from New Mexico, understanding there were some initial objections, has modified his original amendment that was laid down. He has tried to hone it down to an acceptable principle on renewables.

Again, we can fix it, enhance it, and massage it in conference. But we can make a strong statement on this floor about renewables and about independence and getting away from our dependence on foreign oil and gas sources.

I will be back in the next couple of days to talk about some specific things that Louisiana, Mississippi, Alabama, Texas, Oklahoma, and other producing States are doing. The technology is advancing. We are making many improvements to the environment. We are minimizing the footprint and maximizing the advantages for the American public so the necessary power can be provided for the growth and development in this Nation.

I wanted to speak about the Kyl amendment and to urge adoption of this particular amendment which will make renewables and conservation a strong part of our equation, and also to give us the independence we deserve, for which our veterans have fought. We will continue to fight for liberties, freedoms, and values. We will succeed in the long run.

Thank you, Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Ms. LANDRIEU. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DAYTON). Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I see my friend and colleague from New Mexico.

I have mentioned in two or three speeches my displeasure about how this bill was brought to the floor. I will not repeat that speech again. But this bill presented to us is the third iteration. It is a 590-page bill with a renewables section. I was preparing to debate the renewables section. Now I find the renewables section has been amended two or three times.

I am looking at the renewables section. I ask my colleague from New Mexico to correct me if I am wrong. The mandate requiring utilities and retail electric suppliers to produce 10 percent of their electric power from renewable sources does not include public power. Is that correct?

Mr. BINGAMAN. Mr. President, it does not include either public power or

co-ops. Of course, the pending amendment is the Kyl amendment, which is a substitute for the amendment I proposed, which is also a change from the underlying bill to which the Senator is referring.

Mr. NICKLES. If the Senator will yield a little bit further, in the original bill, public power was included in the renewable mandate. Is that correct?

Mr. BINGAMAN. That is correct.

Mr. NICKLES. I thank my colleague for the clarification.

Mr. President, this is an important statement for my colleagues in the Northwest. It is an important exemption. I have heard many people on the floor of the Senate say: Well, renewables don't cost anything. If renewables don't cost anything, why do we exempt Bonneville Power?

Why do we exempt the city of Los Angeles? Why do we exempt TVA, the Tennessee Valley Authority? Why do we exempt public entities, period, if this is so good for the private sector?

People say it does not cost anything, and renewables are so beneficial to the general well-being of a national energy policy. Why are we exempting such a large portion—rural co-ops, public powers, large municipalities? I fail to see the wisdom in it. It may well be that if we did it, those public entities would be screaming because we would be increasing their costs.

I hope everybody understands, I support the Kyl amendment because it will not cost nearly as much as the underlying Bingaman proposal, not the one that is in the bill but the one that has now been offered before the Senate.

I have tried to calculate how much it costs. Costs happen to be important. I hope everybody realizes, if we do not adopt the Kyl amendment, or something close to it, we will be—by this act of Congress, by the Bingaman amendment, by the renewables mandate—increasing utility costs, electricity bills all across the country. I say that because we may well do it. I want people to know there is going to be a cost involved.

You don't put on a mandate on that says you have to have 10 percent of your power come out of what is classified as a renewable, an incremental renewable, with a new cost—and that power may cost two or three times as much as the marketplace power costs—and then pretend it does not cost anything.

How much does it cost? I did some calculation of a utility in my State, Oklahoma Gas & Electric. We calculated how much energy they produce. We calculated the cost of compliance assuming they did not have wind power, and so on, so they would have to purchase it. In the bill, the replacement cost they could get from the Government would be for these credits which would be 3 cents per kilowatt hour.

So if you calculate that, for Oklahoma Gas & Electric, the largest utility in my State, it would cost them \$62

million—not an insignificant cost. It is an increase in the cost to a utility in Oklahoma of about 5 percent; in fact, that would be for most of the utilities in the country.

Let's see if I have one from Minnesota. You are looking at a cost increase of about 5 percent. You might say, how did you calculate that? I will give you a thumbnail sketch.

You mandate that 10 percent of the cost must be in renewables. The most efficient of the incremental renewables is wind energy. For wind energy, the cost will be at least 3 cents per kilowatt hour, plus there is a tax credit of 1.7 cents per kilowatt hour. So the total is 4.7 cents.

Guess what. The market wholesale cost of electricity right now is 2.2, 2.3 cents. You are talking about an increase; you are talking about a cost to both the taxpayers and the consumers of 4.7 cents, just to start. So you are talking about something twice as much as the cost of electricity in the country, and you are saying 10 percent of it has to be in the renewables. If you take just 10 percent of the power costs—and it says the energy consumed or the energy produced must be more expensive or twice as expensive—you have increased their cost by at least 5 percent.

I do not know if people around here are really cognizant, but the more I learn about this renewable section, the more I am flabbergasted of how people are thinking they are going to vote for it and not increase costs. It is an enormous cost increase—enormous, in the billions of dollars. It is billions of dollars that transfer from basically fossil fuel plants to certain areas or certain companies that produce so-called credits or they can buy the credits from the Government. If they can buy the credits from the Government, the Government has a big new fundraiser in this, a big tax increase that utility payers are going to be paying.

I make mention of two or three issues. The original Bingaman amendment that was in this section did not exclude public power. It did not exclude the city of Los Angeles, which, incidentally, has a powerplant and consumption as big as Oklahoma Gas & Electric—pretty good size—and they are exempt. Oklahoma Gas & Electric is not exempt, but the city of Los Angeles is.

I heard the Senator from California, Mrs. BOXER, say, yes, these renewables are great. If they are so great, why don't they apply to the city of Los Angeles? Why doesn't it apply to Bonneville? Why doesn't it apply to TVA? Why doesn't it apply to municipalities? Why doesn't it apply to co-ops?

There is support from co-ops. They don't want to have their cost go up. Certainly, we don't want to mandate that the municipalities have their cost go up. We don't want the cost to go up for public power. We will exempt them and maybe buy some votes. But who are we going to sock it to? Oh, we will sock it to anybody else that happens to be a privately owned utility. We will

sock it to them. There may be one or two that might benefit. Maybe they will produce enough of the credits so they can sell them, so they can sell the electricity. They can get tax credits of 1.7 percent. And they can get the credit from other utilities that do not have enough credits to meet their 10-percent mandate.

They get three times the value of electricity from the Government. They will get almost a 200-percent rate of return from the Government, and they get to sell the electricity. That is a pretty good deal for a couple utilities. But for consumers, they get a bill.

Some people say it does not make any difference because this is hidden. This is not going to come as a tax in the form of Congress issuing a tax increase. We are not doing that. We are telling the utilities: You go do it. We are mandating that you do it. And you bill your customers, who happen to be our constituents.

We ought to rename this section, "Renewable Section of Congress Increasing Electricity Prices," because that is what it is. It is a Btu tax. It is a tax increase. It is a utility rate increase, pure and simple. You cannot mandate that 10 percent of the marginal power has to be increased from certain renewable sources.

It is very interesting to note, a renewable source is not hydro under the definition in the bill. They left out hydro, which is as renewable as any. Oh, it is left out. Why? I don't know why, but it was left out. It is renewable, but we are just not going to define it, so it is left out. The more you find out about this amendment, the proposal by my colleague from New Mexico, the less sustainable it is.

I wish to mention a few companies—we have gotten this from the Energy Information Administration, Department of Energy—and with how much energy they produce, and with the 10-percent renewable requirement, and assuming they have to purchase the offset, the credits, how much will it cost: the Public Service Utility of New Hampshire, \$21 million—a pretty good hit—Kansas City Power & Light, \$16 million; Kansas Gas & Electric, \$27 million; Nevada Power Company, \$50 million; Sierra Pacific Power Company, \$24 million; Arizona Public Service Company, \$67 million; Tucson Electric, \$24 million; Pacific Gas & Electric, \$216 million.

Guess what. Pacific Gas & Electric was having a hard time staying out of bankruptcy. They actually filed for bankruptcy. We are going to put on a mandate that they have to spend \$216 million. We are exempting Bonneville but not exempting Pacific Gas & Electric. Maybe they have offsets to reduce that. Maybe they have enough wind energy to do it, but I doubt it.

Georgia Power, \$223 million. I could go on and on. My point being, I do not think this amendment has been well thought out. I do not think we have had a hearing on this proposal. The

proposal deals with billions and billions of dollars of increases in electricity costs.

Some people are saying, oh, let's just have a renewable standard of 20 percent, 10 percent. Oh, it is all doable. We have to have renewables.

I believe in renewables. I want to have renewables. And I want to encourage wind power and encourage other alternative sources of energy. But I just don't know that we want to pass a law that says you must have 10 percent of your power from this source defined as a renewable, and, oh, we forgot to include hydro, and we don't care how much it costs. That is really the impact of this amendment. Consumers beware.

I compliment Senator KYL because I think he has come up with an affordable substitute, one that encourages alternative sources but does not mandate it, does not dictate that your electricity prices will be increasing by 5 or 10 percent, which I believe is the case in the underlying amendment. Senator KYL's amendment treats all utilities fairly. The amendment proposed by my colleague from New Mexico socks it to some utilities but it exempts a bunch of other utilities.

Why should California be exempt and Texas and Oklahoma not be exempt?

That doesn't quite seem right to me. Why is the Northwest exempt? Why is Bonneville exempt and the privately owned utilities are not? They already have lower utility rates in many cases because they have Federal hydropower, which is pretty cheap. It was built a long time ago. So they already have low rates, and we are going to exempt them. But the other rates, no, you are stuck. We are going to sock it to you. I just question the wisdom of that.

I hope my colleagues will look at this long and seriously. Seldom do we have an amendment that will have such a significant impact of billions of dollars, and seldom do we have as many colleagues kind of absentee as far as knowing what the impact of this amendment would be on their constituents. I would like for people to pause and think.

I will be happy to share information that the Energy Department has provided us on what this might cost your utilities and what your utilities will have to pass on to the constituents. It won't cost the utilities money. They will charge that added, mandated cost from this Senate to their customers. So the utilities won't pay it.

I have mentioned a few of these. MidAmerican Energy Company faces 44.6 million dollars in increased utility prices. They will only transfer these costs to their customers. The truth is, a lot of those customers are going to be companies that maybe are struggling to survive, that maybe are having a hard time creating jobs. And we are going to increase their utility prices by 5 or 10 percent. Some companies, some corporations, commissions, maybe the Texas Railroad Commission will say:

We really don't want this to happen to the residential consumers, so we will just have the increase and sock it to the big users.

There won't be as much political fallout. There might be a loss of jobs in the process. Maybe they will make it apply equitably to residential consumers as well. They will have a big increase. Then people will go ballistic.

People will say: Wait a minute, where did this mandate come from? It came from Congress in the year 2002. We didn't see it in our bill until 2004, or maybe we didn't see it fully implemented until 2008. It passed in the year 2002 because somebody thought it was a good idea.

I think my colleague from Arizona has the right idea. I hope our colleagues will support it. I hope they will start looking at the underlying cost that is in this so-called Bingaman amendment. I hope they will look at the cost of that amendment and say: Isn't there a better way, a more affordable way? Should we not include hydro in renewables? Shouldn't we include public power? If we are going to mandate it on all private power, should we not include public power as well? If we are going to have a universal energy policy, why would we exempt rural electric co-ops? Why would we exempt municipalities, enormously large public power such as Bonneville and TVA?

It is a mistake. I urge my colleagues to support the Kyl substitute to the Bingaman amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, how much time remains on the two sides?

The PRESIDING OFFICER. The Senator from New Mexico has 30 minutes, and the minority has 45 minutes.

Mr. BINGAMAN. Mr. President, I yield myself 5 minutes. I know I have a couple colleagues here who also want to speak. I know there are also, perhaps, Members on the other side.

First of all, the Kyl amendment is a stark contrast with what we are otherwise trying to do with a renewable portfolio standard. The Kyl amendment is very simple in that it says:

Each electric utility shall offer to retail customers electricity produced from renewable sources to the extent that it is available.

That is fine, but "to the extent it is available." And they do that today. They offer electricity produced from renewable resources or sources to the extent that it is available.

What we are trying to do with the Bingaman amendment, with establishing a renewable portfolio standard, is to provide some assurance that it will be available so that some portion of the power produced by large utilities will, in fact, be produced from renewable sources.

My colleague from Oklahoma says usually the price of electricity is 2.2 cents per kilowatt hour. I think that

was the figure he mentioned. According to the figures we were given by the Energy Information Agency, the average cost in this country for electricity is 4.3 cents per kilowatt hour, not 2.2.

Mr. NICKLES. Will the Senator yield? I am talking about wholesale cost which is the replacement cost where if you have incremental renewables going into the system, they are paid the wholesale cost, not the retail cost.

Mr. BINGAMAN. This is a wholesale cost figure I just gave you, 4.3 cents. We are glad to share the information with you.

He says that we don't have hydro in here. We do have hydro as one of the items that a utility gets credit for when determining the base against which the percentage applies. So that we give them full credit for hydro in that.

Then we say, taking that base to the extent that they expand their energy generation from increments of hydro-power, that those will count.

Mr. NICKLES. Will the Senator yield to make sure we are both on the same wavelength?

Mr. BINGAMAN. I yield to my friend from Oklahoma.

Mr. NICKLES. Any incremental new hydro would count as renewable. I concur.

Mr. BINGAMAN. That is exactly right.

Mr. NICKLES. Would the Senator agree with me, in your definition of 10 percent renewables, existing hydro is not counted in that definition?

Mr. BINGAMAN. Mr. President, regaining the floor, I agree that it is not. That is for a very simple reason. If you do count existing hydro in that 10 percent, certain States, particularly in the northwest part of the country—and also Maine—far exceed that. There would be a tremendous disparity between the extent of the renewables they have in their base or that they get credit for as compared to the rest of the country.

What we are trying to do with the Bingaman amendment is to provide an incentive for the addition of additional renewable power. To the extent they can do that with hydro, we give them credit for it.

Let me talk about some of the figures. I would be anxious to see the calculation to which the Senator from Oklahoma was referring. As I understood his explanation, he gave us figures for what each of these utilities would have to pay in order to comply with this provision, assuming they had to buy all their credits.

Mr. NICKLES. That is correct.

Mr. BINGAMAN. That was what I understood him to say. The truth is, many of the utilities—I don't know about all of them—he named are not going to have to buy any credits. They are already producing power from renewable sources, substantial amounts of power.

To suggest that PG&E in California is going to have to be going out and

buying credits at the highest possible price is just not the real world. PG&E already produces power from renewables. Arizona Public Service is another example. He mentioned MidAmerican and how this would cost MidAmerican \$40-some-odd million.

I have a letter here from David Sokol, chairman and chief executive officer of MidAmerican, where he writes:

Dear Chairman Bingaman:

I am pleased to write in support of your efforts to include provisions to promote the development of renewable energy resources for electric generation in the Senate's comprehensive energy bill.

Then he goes on to write that his company is "one of the world's largest developers of renewable energy, including geothermal, wind, biomass and solar."

Continuing from the letter:

Renewable electricity can play a critical role in diversifying the nation's fuel mix and providing emissions-free electricity for American consumers.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. BINGAMAN. There will be other opportunities for me to speak. I know I have some colleagues who wish to speak at this point. I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I know my colleague from Virginia has been patient. I rise to make a couple points. The wholesale power cost, which my colleague alluded to, was 4-some cents. The spot market on wholesale power cost in the Pennsylvania and New Jersey and Maryland exchange was 2.1 cents to 3 cents from January to March. And Palo Verde is 2.2 cents to 4.3 cents between January and March. Those are current prices that I just wanted to mention.

If a utility, for whatever reason, doesn't have 10 percent renewable—and most all utilities don't; there might be one or two, but most of them don't—they are either going to have to reduce it or buy it. If they have to buy it, the cost is up to 3 cents. There is also a 1.7-cent tax credit. That equals 4.7 cents. That is still 100 percent more than what the marketplace is providing in the examples my colleague and friend from New Mexico mentioned.

But I am just saying the spot price in some big areas in the country is 2 cents to 3 cents. You are talking about a rate of return for this incremental power of over 100 percent more than market price today. That is expensive. That will greatly increase costs, and somebody will have to pay for it. Ultimately, electric consumers will pay for it. They need to know that before we pass this amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I think the Senator from Virginia was here before me.

Mr. KYL. Mr. President, we are under a time agreement and we are going to be running out of time if things other than the pending amendment are allowed to intercede into this debate. Our vote is set to be cast first thing in the morning, as I understand it. So whatever debate we have, we have to do tonight.

We have at least an hour of speakers on our side, starting with the Senator from Texas and myself, and the Senator from Oklahoma, I guess, is done, and then we have the Senator from Idaho and the Senator from Wyoming, at least. As a result of that, I think we ought to proceed with debate on the pending business so that we can fit within our timeframe and be ready to vote tomorrow morning.

Ms. LANDRIEU. Mr. President, may I inquire if, under the previous order, we are entitled to alternate from one side to the other on the amendment, given the time allocated to us?

The PRESIDING OFFICER. There was no order to provide for that.

Ms. LANDRIEU. I ask unanimous consent that we simply alternate during the time of the amendment, within the amount of time allocated.

Mr. KYL. Mr. President, to the extent that the time is available, we can do that.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I will try to be brief. There are just a couple of points I want to make.

First of all, a big deal has been made out of the fact that Texas, in its electricity deregulation legislation, had a renewable energy provision in it. In fact, the point has been made—erroneously—that this is just what you have in Texas and it was George W. Bush who signed that bill into law. I want to straighten that out because the Bingaman amendment is nothing like what we have in Texas.

First of all, in Texas we have a provision that is related to renewable generation capacity, not to how much renewable power you sell, because when you have a windmill—and I may be the only Member of the Senate who owns a windmill, and I will talk about that later—but you have a windmill, sometimes the wind doesn't blow. Sometimes the sun doesn't shine. So the Texas provision is based on capacity, not generation.

Secondly, the Texas provision is that, by 2009, we have the capacity to generate 2,000 megawatts from alternative sources. We currently generate about 73,000 megawatts, which is roughly 3 percent renewable energy, not the 10 percent provision in the Bingaman amendment.

Finally, renewable energy in Texas is renewable energy. In the state of Washington, hydropower is not renewable energy according to this bill, even though it rains there constantly. Cer-

tainly, you can argue that hydropower is at least as renewable as chicken manure and pig manure and cow manure, all of which will be subsidized under this energy bill, in terms of electricity production. In Texas, we have a much broader definition of what a renewable is.

So, one, our standard is based on capacity, not generation, because you have to have the flexibility with these alternative sources. Two, it is roughly 3 percent, not 10 percent. Three, it counts one of the most common renewable sources, which is hydropower. I think that is a very big difference. So to say that this is somehow what we did in Texas is simply not accurate.

Now, I want to touch on a couple of other things. First of all, I think we are getting carried away here with these alternative sources. On my place in Texas, I have a windmill. It is a really pretty windmill and it is called High Lonesome Windmill; it is high and lonesome, and it is sitting on a hill. It pumps water into a storage tank, and there is an overflow valve that runs down to the pond that keeps water there for turkey, deer, hogs, and whatever happens by. I think it is fair to say that this windmill is beautiful. I also think it is fair to say that 100 windmills would be an eyesore.

So when you are talking about generating 10 percent of the energy of the United States with things such as wind power, please consider that one windmill is not bad. But if you put a hundred or a thousand of them on my place, the place would be an eyesore. When we are talking about this, I think it is fair to keep that in mind.

I join the Senator from Oklahoma in saying, look, you can have it one way, or you can have it another way, but you can't have it both ways. If this renewable energy is a good deal, how come it is not a good deal for everybody? It seems to me it is absolutely outrageous to say, Los Angeles, CA, doesn't have to abide by the law and sell renewable power through its municipal utility, but Dallas, TX, does. Bonneville Power doesn't have to abide by the law, but their competitor has to, and rural cooperatives don't have to abide by the law.

Well, look, if renewable power and an inflexible federal mandate is a good thing, how come it is not good for everybody? There is no way that can be defended. That is plain old rotten, special interest vote-buying which basically says: We know this is a provision that will cost a lot of money. You have political interests that are for it, and in order to get it passed and impose it on the poor people who can't get out from under it by cutting a political deal, we are going to exempt Los Angeles, CA and other municipal and public power providers. Give me a break. That is about as outrageous as it can be.

Finally, I believe there is a drafting error in this bill. In looking at this bill in a cursory way, I don't see any requirement that if I buy these credits, I

buy them from Americans. Can I buy these credits from people in China? I don't see in the bill a provision that says I have to buy credits from Americans. Can I buy them from Mexicans, from the Canadians, from China, from Russia, or from Uzbekistan? My question is: How well is this whole process thought out? When you let people buy credits, you are not producing more energy, you are basically spreading the misery.

I hope Senator KYL's amendment passes. I am going to vote for it. But if it doesn't pass, maybe a fallback position ought to be that if any electric company is going to have to raise their power rates by more than 5 percent, maybe they ought to be able to join Los Angeles, maybe they ought to be able to join Bonneville Power, maybe they ought to be able to join the cooperatives and be exempt. This is clearly going to cost a lot of money because if it weren't costing a lot of money, why does everybody want to get out from under it?

I think the amendment of Senator KYL is a good one. It sets a goal. But something is very wrong economically in telling people, no matter whether it is feasible or not, no matter whether it can be achieved or not, no matter how much it costs, that unless you are one of these privileged people who have an exemption, you have to generate 10 percent of your power by 2020 with these alternative sources; and, after that, over the next 10 years, then the Secretary of Energy can set the rate at wherever they want to set it. God forbid we should have some lunatic as the Secretary of Energy in 2021. They would have the power under this bill, unilaterally, to set this rate anywhere they want to set it, other than below 10 percent.

Is that a wise delegation of power? Should we give anybody in America that much unilateral power? I do not think so.

This provision is riddled with special interest loopholes. I think it is an unworkable mandate of the worst sense and violates the logic of economics. It is nothing like the Texas provision. I hope we can adopt the Kyl amendment.

I am afraid that all these people who have gotten exemptions are going to vote for it now. If I represented Los Angeles, maybe I could say: Look, this could hurt, it could be expensive, but it will not affect you; I cut this deal. Or maybe if I got power from the TVA, I could say: Yes, I am worried about this, but do not worry, I covered us.

I sometimes think I have some persuasive power, but I do not think I am good enough to defend this provision. I do not think I could defend a provision, and standing with great righteousness, by saying: Renewable power is what we need, but we do not need it in Los Angeles, we do not need it in TVA, we do not need it in municipals, we do not need it for rural America. If it is so good, why do we not need it for those things?

Mr. BINGAMAN. Will the Senator yield?

Mr. GRAMM. That is my question. I will be happy to yield.

Mr. BINGAMAN. The information I have been given—and I am interested if this is accurate, as the Senator from Texas understands it—Texas also excludes from their requirement municipalities and co-ops, just as we are doing in this bill.

Mr. GRAMM. I wondered how they got such a bad provision passed.

Mr. BINGAMAN. They have a provision that requires 4.3 percent of all sales be from renewables in the year 2009, which is where their bill stops going forward. Our provision calls for 3.4 percent by the year 2009 and has the same exclusions they have in Texas.

If the Senator has any contrary information, I want to—

Mr. GRAMM. Let me reclaim my time, and I will finish because there are other people who want to speak. First of all, I went through the differences with the Texas program. I do not see how you can defend exemptions if you support the policy. Had I been in the Texas Legislature, I would not have voted for this provision. Let me make that clear. I would not have voted for it.

However, it is very different from the proposal here. It is much more modest. It does count hydroelectric power as a renewable. It is based on generation capacity, not actual sales. In other words, it is far more reasonable if you are going to adopt an unreasonable policy.

Let me make one additional point. If this turns out to be nonsense and we get to 2007 or 2008 in Texas and we discover that our power rates are going through the ceiling because Texas did it, Texas can undo it. If they do not undo it, people can move. They can move to New Mexico.

The problem is, when we mandate it from Washington, then the fact that it is a disaster in Texas does not mean it is going to get changed in Washington.

Why not let the States do what Texas did: Set out a policy that makes sense for them, and then if it does not work, they can change it. Why should we be dictating in Washington what is good for the States—what is good for Louisiana, what is good for Arizona, what is good for New Mexico?

My legislature adopted a policy they thought was good for Texas. We are going to override it with this Federal bill. If anybody thought it was good—I personally do not—but if anybody thinks it is so good, why not leave it alone? But we are not going to leave it alone; we are going to override it.

I am afraid with all these exemptions, the fix is in, but this is really bad policy. The Senator from Arizona has a good amendment. I hope it is adopted, and I commend it to people. I hope they will vote for it. I hope people who received all these exemptions will simply say: If I needed the exemption to vote for it, what about people who

represent States that did not get exemptions? That is why we need the Kyl amendment. That way, States can make up their own minds. They are no less responsible than we are. They care no less about the environment than we do. They are no less informed than we are. In fact, they are probably much better informed about their own circumstances.

I am strongly in favor of the amendment, and I commend the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I rise in opposition to the Kyl amendment. I wish to speak for a few minutes to add to my remarks of just a few moments ago.

Mr. BINGAMAN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New Mexico has 24 minutes 37 seconds.

Mr. BINGAMAN. How much time does the Senator from Louisiana intend to use?

Ms. LANDRIEU. Ten minutes.

Mr. BINGAMAN. That will be fine. I yield 10 minutes to the Senator from Louisiana.

Ms. LANDRIEU. Mr. President, the Senator from New Mexico has done an extraordinary job in leading us through this obviously quite contentious energy debate. It is the result of so many different views of different regions, with each having its own set of natural resources and demands. It is very hard to come up with a national policy that works for our Nation and also respects our regions and States.

If we do not change the direction in which this Nation is headed—dependent and unable to produce the energy necessary for our Nation to grow and develop—our economy and our national security will be jeopardized.

I commend the Senator from New Mexico for staying tough and holding the line and trying to move a bill out of the Senate and into conference where it can be perfected.

I oppose the Kyl amendment and support Senator BINGAMAN's efforts on renewables. There might be a better way, a better method than mandates. Recognizing that the House did not put in any substantive provisions for renewables in its energy bill, I hope we can explore this issue between the time this bill leaves the floor and gets to conference where I hope it will be perfected and balanced in promoting renewables.

While the Senator from Texas does not evidently think windmills might work and does not like the way they look, many people do like the way windmills look. There are many regions that are having success with wind power.

In Spain, Germany, and Denmark, wind power supplies over 20 percent of their electricity. It really is a wonderful thought that we can use the brains God has given us to create technology

to generate power from wind. I am sure it is somewhat more expensive. I am sure there are kinks to be worked out, but do not lead people to believe that it is not being done in an efficient way.

Mr. President, I ask unanimous consent to print in the RECORD a fact sheet from the Union of Concerned Scientists, an EIA study that says: "National Renewable Energy Standard of 20 Percent is Easily Affordable."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Union of Concerned Scientists]
EIA STUDY: NATIONAL RENEWABLE ENERGY STANDARD OF 20% IS EASILY AFFORDABLE

A national renewable portfolio standard (RPS) to provide 20% of US electricity from wind, solar, geothermal, and biomass energy by 2020 would cost energy consumers almost nothing, according to a recent study by the U.S. Department of Energy's Energy Information Administration (EIA). A national RPS increasing these resources from 2% today to 20% by 2020 is included in the Renewable Energy and Energy Efficiency Act of 2001 (S. 1333), proposed by Sen. Jeffords (I-VT) and five other Senators.

The EIA report, using high estimates of renewable energy costs (see discussion below), shows that under a 20% RPS, total consumer energy bills (other than for transportation) would be roughly the same as business as usual through 2006 and only \$2.8 billion or 0.7% higher in 2010. By 2020, total bills would be \$580 million (0.1%) lower with an RPS.

Other studies using more realistic assumptions and incorporating the energy efficiency incentives in S. 1333 show that consumers could receive 20% of their electricity from renewable sources and save billions of dollars (see below).

EIA found that a 20% RPS would increase average electricity prices (the cost per unit of electricity) by only 3% over business as usual levels in 2010 and 4% in 2020. With a 20% RPS, electricity prices in 2020 are still projected to be nearly 7% lower than they are today.

Even these small increases in electricity prices are largely offset, however, by lower natural gas prices. Because an RPS creates a more diverse and competitive market for energy supply, EIA finds that these market forces would reduce natural gas prices and bills.

Diversifying the electricity mix with renewable energy also helps stabilize electricity prices by easing pressure on natural gas prices and supplies. Under a 20% RPS, average consumer natural gas prices are 3% lower than business as usual in 2010 and 9% lower in 2020. These lower prices would save gas consumers \$10 billion per year by 2020.

The net present value cost of a 20% RPS would be only \$14 billion over the next 18 years. With ongoing natural gas savings after 2020, an RPS would likely produce net savings for consumers.

A 20% RPS would also help reduce emissions from power plants. Under an RPS, carbon emissions from power plants would be 55 million metric tons or 8% lower than business as usual in 2010 and 137 million metric tons or 18% lower in 2020, according to EIA.

CORRECTING EIA ASSUMPTIONS AND COMBINING AN RPS WITH EFFICIENCY PRODUCES ADDITIONAL SAVINGS

Several other studies have found that using more realistic assumptions and combining an RPS with strong energy efficiency policies would produce additional savings for consumers.

The DOE Interlaboratory Working Group (IWG), consisting of the five national energy

research labs, corrected a number of EIA's assumptions (see below) and found that, when combined with energy efficiency programs, an RPS of 7.5% by 2010 would save consumers over \$65 billion per year by 2020 (1997\$).

At the request of Senator Jeffords, EIA used IWG assumptions and found that the combination of an RPS of 7.5% by 2010, advanced energy efficiency measures, and four-pollutant emission reduction targets similar to those proposed by Senator Jeffords in S. 556 would save consumers \$64 billion per year by 2020 on their energy bills.

UCS' Clean Energy Blueprint report, which used similar assumptions to the IWG for renewable energy technologies, shows that an RPS of 20% by 2020, with the energy efficiency incentives in S. 1333, would save consumers \$35 billion per year by 2020 or a net present value of \$70 billion over 18 years.

The Clean Energy Blueprint found that additional efficiency incentives, including for combined heat and power plants, would increase annual savings to \$105 million per year in 2020 and net present value savings to \$440 billion over 18 years.

EIA OVERESTIMATES THE COSTS OF RENEWABLE ENERGY

The DOE Interlaboratory Working Group found that EIA significantly overestimates the cost of adding renewables to the system. The EIA:

Uses higher cost and worse performance assumptions for most renewable technologies than recent experience and projections by the utilities' Electric Power Research Institute and DOE;

Arbitrarily increases the capital cost of wind, biomass, and geothermal technologies by up to 200% in a given region after a fairly small amount of the regional potential is met;

Limits the penetration of variable output resources like wind and solar power to 15% of a region's electricity generation; in parts of Germany, Denmark and Spain, wind power is already providing more than 20% of total electricity generation;

Assumes that renewable energy generation will cost 4 to 5 cents more per kilowatt-hour than electricity from natural gas plants between 2010 and 2020.

USC also found that both the EIA and the IWG limit the amount of biomass that can be co-fired in existing coal power plants to 5% of the plant's input. Recent experience from around the world has shown coal plants can be co-fired with up to 10-15% biomass.

Ms. LANDRIEU. Mr. President, Senator BINGAMAN is rightly arguing that while this amendment may need to be perfected, we must develop a portfolio of renewable fuels in this Nation if we are to reduce our dependency on foreign oil and other sources of power.

Let me show a chart that will clearly illustrate that. This is electricity generation by fuel. We, right now, have most of our electricity generated from coal sources with a rising number of generators and powerplants fueled by natural gas. Since Louisiana is the second largest producer of natural gas, I most certainly represent the interests of people wanting to see more domestic production of natural gas.

However, we have not been able to move very much this line representing renewables.

We hope to increase renewables because by improving our domestic sources of energy, or increasing them, whether from coal, natural gas, nu-

clear, or renewables, we by virtue of that reduce our dependency on foreign oil sources.

By increasing renewables, we can improve our domestic fuel supply. There are several reasons, I suggest, why this is a good thing to do.

First, as I said, we need to reduce our dependency on fossil fuels. Even as someone who comes from a State that produces a lot of oil and gas, I know that one of these days those wells are going to dry up. I certainly hope this does not occur in the foreseeable future, but one day they will, because they are a finite source. Renewables are infinite. They are, as their definition says, renewable. We can get renewables, create renewable energy, and continue generating power for our industries.

Domestic energy production, whether it is through oil, gas, wind, coal, biomass, or solar, increases jobs in our country. One of the things we spend a great deal of time talking about is how we can create good-paying jobs, jobs where people can make a living, have a living wage, save, send their children to college, purchase a home. Those things are really very important. They are important to all of our States.

Investing in renewables technology generates jobs. Domestic production creates jobs in America. We are all for helping the world create jobs. We would like to see a great middle class created in every country in the world, but our first objective is to create jobs for the citizens of this Nation.

The third reason renewables are a good thing is that they give us diversity. Why do we need diversity? We need diversity because in a competitive system no industry, no generator of electricity, or no region should be held hostage in the event natural gas prices soar. They potentially could switch to another source of fuel. If that source of fuel were too high, they could switch to another source of fuel, thereby keeping prices stable and low, and generating and increasing competition.

So by increasing renewables, we increase the options for businesses and electric generators so the consumers are ultimately benefitted. Consumers see their prices rise when there are monopolies, and when people have no choice but to get power from either gas or oil.

So as we write a bill that helps this country to expand the choices of fuel, consumers will be helped and taxpayers will see their bills lowered.

The fourth reason I support renewables is that they are the cleanest option.

Now I have been in this Chamber talking about natural gas. I am very proud of the work we do in Louisiana, as well as Texas, and Mississippi. We produce a lot of natural gas. It meets the standards set by the EPA and our own state laws and regulations. We hope to continue to produce natural gas for this country.

I will put up the other chart which shows how much the natural gas comes

off the shores of Louisiana and is literally piped through an extensive system of pipelines to other parts of the country. We are proud of this.

We would like to see more pipelines coming from different places so we could provide clean natural gas for the Nation. People in Louisiana, even though we are proud of our natural gas and proud to be able to contribute it to the Nation, believe in renewables because they also give us additional sources that will come into the country from a variety of different places.

Renewables are theoretically better dispersed around the country because they can be created through solar, wind, or biomass. So the advantage of renewables is not only that they are clean and efficient, but they also help us redistribute the sources of power, giving us a greater balance, so there are not blackouts in California or brownouts on the east coast. That is something in this debate I believe we have to keep foremost in our mind.

The PRESIDING OFFICER. Will the Senator suspend. The Senator is under an existing order in which she had time in her own right which has now been expired. So does the Senator from New Mexico wish to yield 10 additional minutes to the Senator from Louisiana, as he did before?

Ms. LANDRIEU. Will the Senator yield an additional 1 minute?

Mr. BINGAMAN. I will be glad to yield.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. The fifth reason is it is American technology that is at the base of these technological advances in renewable energy. However, we are not using them. They are being used by European nations. Our technology is developed at our universities, in our laboratories, with our scientists, with our engineers, but we are not taking advantage of these renewables. The Europeans have done it in a period of 5 years, from 1990 to 1995. As I said earlier, Spain increased its renewable resources by 300 percent, Denmark by 150 percent, and the Netherlands over 50 percent.

In conclusion, I think a solution to our dependence on foreign oil is more robust domestic production with a real commitment to renewables. If we do those two things, we can reach independence, which I think our country and our citizens, whether they live in California, Louisiana, or New York, would cheer about. That is why I am opposing the Kyl amendment and supporting Senator BINGAMAN. Again, I hope for perfection through the conference process, but I also hope this bill retains a renewable portfolio and sends an important message to the American people that we can stake our claim to an independent future.

The PRESIDING OFFICER. As a point of clarification, the Chair announces the Senator from New Mexico has 22 minutes 29 seconds remaining; the Senator from Arizona has 29 minutes 54 seconds remaining.

The Senator from Arizona.

Mr. KYL. Mr. President, I will take a few minutes to respond to the Senator from Louisiana, and then the Senator from Alaska would like to speak, unless there is an intervention on the other side.

The Senator from Louisiana had four basic reasons that she supports the Bingaman approach and opposes mine. I will go through each of those.

Her first reason was we have become too dependent upon foreign oil and that if we have renewables to generate electric power, that will somehow solve the problem. Well, the Senator from Louisiana could not be more wrong. I wish she would put the chart back up which showed the dispersal of the various energy sources. We saw at the very bottom of that chart there was a red line. That is the oil that is used to generate electricity in this country—hardly anything. We do not generate electricity with oil in the United States, as the chart showed. Transportation flows on oil—that is how we drive our cars—but we do not generate electricity with it.

So if the argument is we have to reduce our dependence upon foreign oil in the generation of electricity and therefore go to these renewable resources, nothing could be further from the truth.

The Senator's chart was accurate that we produce electricity in this country with nuclear generation, with gas, and with coal. That is where we get our energy production. So the argument that somehow this will help us reduce dependency on foreign oil is absolutely untrue.

I also will comment on the fact that the Senator from Louisiana said we will run out of oil and gas someday. Well, someday we will, but, again, we do not produce electricity with oil and we have a lot of coal, virtually an inexhaustible supply of coal. We could generate all of the electricity that this country could use for centuries on the coal we have in this country. We have been spending a lot on clean coal technology, so we can now do it in a very clean way. Nuclear power is essentially inexhaustible. So if one is talking about oil and gas running out as a reason we have to go to renewables, again, it is absolutely false.

Finally, with regard to this first argument, the Senator from Louisiana said: After all, wind is free. She then went on to correct herself and say: Of course, there is some cost to producing it.

Indeed, we subsidize the cost of wind power at 40 percent of what it costs, and it still cannot compete, which is why the proponents of wind power want to have the U.S. Government force people to buy their product, because it cannot compete on the open market. These renewables are, in fact, not free.

The final point of the first argument was that the Union of Concerned Scientists, a reputable group, indeed, says that even a 20-percent mandate would

be very affordable. Let's examine that for a minute, because the second reason was we needed to diversify our fuel for electrical generation in order to keep prices lower. The assumption was this would keep prices lower.

Again, she is wrong. We have today the figures from the Department of Energy agency that puts these figures together, the Energy Information Administration. I can read the figures for every single utility in every single State as to what the increases will be. This is a pretty conservative estimate because they only take the power that is being purchased today—not 15 or 20 years from now—and they have not indexed for inflation.

I suspect we all agree inflation will go up. All they took was the 3 cents per kilowatt hour, which is the basic cost that you would buy it from the Department of Energy, and projected that 3 cents per kilowatt hour—not 3 cents per kilowatt hour adjusted for inflation.

What would the costs be? I will take Louisiana, the State of the Senator who just spoke. I will leave out for part of this discussion the municipals, but I will bring them in to show it is the same for the municipals. I begin with private utilities in Louisiana.

For the CLECO Power Company, the cost of this is \$25.5 million, an increase in retail of 4½ percent. Entergy, Gulf States Louisiana and New Orleans is \$60 million, \$89 million, and \$17 million, respectively, with an increase in prices to the retail customer of over 5 percent, 4½ percent, and 3.86 percent.

Mr. BINGAMAN. Will the Senator yield?

Mr. KYL. I am happy to yield.

Mr. BINGAMAN. I ask, why does my colleague, who sponsored this amendment, mention how much it will cost Entergy to comply with the underlying Bingaman amendment; why are they supportive of the Bingaman amendment and strongly opposing the Kyl amendment if this is going to be expensive for them?

Mr. KYL. I am happy to answer the question of my colleague. It will not cost energy companies a penny but cost energy's customers. That is the whole point. We are the ones who will pay, not the power company.

The reason this particular power company supports it—I understand they will have to answer for themselves—they have invested in wind power. As I pointed out yesterday, according to the Energy Information Administration of the Department of Energy, the only renewable that will provide any significant increase in power is wind power. Naturally, those companies that invested in wind power love it. They cannot sell it today, even with a 40-percent subsidy, but if the Federal Government makes people buy the product, then they will be able to sell it. That is why they like it. Their customers will pay for it; they won't be paying for it.

Let me turn to my State. I will pick some other States at random. In my

State of Arizona, the private utility Arizona Public Service is the biggest at \$67 million, a 3.72-percent increase. The Salt River Project, which would be temporarily exempted, is \$66 million, up 4.63 percent. Another private utility, Tucson Electric, is \$24.5 million, up 3.69 percent.

The percentage increases are from 3 percent up to under 30 percent. How would you like to be getting power from the Welton Mohawk Irrigation District, with a 29½-percent increase? Fortunately, it is one of the political subdivisions that is currently excluded from the bill. Certainly they hope to remain excluded.

In California, Pacific Gas and Electric is \$260 million, over a 3-percent increase. San Diego Gas and Electric is \$45 million. Southern California Edison is \$221 million. The total in that State—again, under the conservative assumptions—is three-quarters of a billion dollars.

Mr. BINGAMAN. Would the sponsor of the amendment yield for another question?

Mr. KYL. I am happy to yield.

Mr. BINGAMAN. As I understand these figures, they are calculations of what it would cost these utilities to buy 10 percent of their power now.

Mr. KYL. At the end of the time they are required.

Mr. BINGAMAN. To buy this on the assumption they are producing nothing from renewable power, is that correct?

Mr. KYL. They had to have a number representing cost and the cost number that it used was the one in your bill, in your amendment, the amendment of the Senator from New Mexico, which is that you can buy this from the Department of Energy at 3 cents per kilowatt hour.

Mr. BINGAMAN. There is nothing in this analysis that acknowledges that most, if not all, of the utilities that have been mentioned produce renewable power from renewable sources now and have great ability to add to that as the years progress, is that not right?

Mr. KYL. No, it is not right. In fact, many of the people or companies that sell to power retail do not produce with renewable sources today. They have to buy credits. The assumption is based upon the value of the credits as set forth in the amendment of the Senator from New Mexico.

Yes, some will build renewable energy electrical generation. The cost of that could well exceed that 3 cents per kilowatt hour. This could be a conservative estimate, especially since it is not indexed for inflation.

We are talking about a number today that in 20 years is obviously going to be substantially higher. I am trying to indicate a relative fact; namely, that the cost to consumers is going to escalate dramatically. That is what this information demonstrates.

Now to the next point. The Senator from Louisiana said we have to diversify to keep prices lower. I have indicated the Department of Energy knows

the prices are not going to be lower. These are all of the estimates from the Department of Energy itself.

But there is another point about diversifying; that is, if you are going to diversify, you need a reliable source. Certainly if the wind does not blow, you did not generate power on a windmill. If the Sun does not shine, you don't generate power from a solar power. If the water does not flow through a dam, you do not have hydro-power. That is why the baseloads of the utilities is coal, nuclear, and gas. Those are available, they are reliable, and that is why for these renewables you always have to have backup, a storage battery, or a backup when it gets dark and the Sun does not shine or you have a drought and the water does not flow or the wind does not blow.

The third point is renewables would create jobs. I know my colleagues would agree exploring in ANWR would create more jobs than windmills. That is evident.

The fourth argument is renewables are better dispersed and are clean. Nuclear is clean, too. Hydro is clean. But I don't see a big rush for hydro or nuclear power.

With respect to dispersal, it is interesting that the chart the Senator from North Dakota exhibited yesterday showed the renewable fuels dispersed all over the country, but each one is conglomerated in a particular area.

For example, solar is obviously going to be produced best in the Southwest. Hydro is best produced in the Northwest. Wind power, interestingly, is produced best in North Dakota, South Dakota, and Oklahoma, as I recall. The geothermal was in certain other areas. If you are not in one of those areas, and since wind is the only economical source of producing the power, you are out of luck; you will have to import credits; you will have to buy credits from the place it is produced and your customers get nothing for that. They do not get electricity; they just get credits. The electricity company gets credits so the owners do not go to jail or pay a big fine.

The bottom line with respect to the arguments made, and they have been made by others as well, the renewables have some very limited potential, if they are highly subsidized, which is what we are doing, and we have extended the subsidy for them, and we are all for doing that, but you cannot count on renewables in any significant percent unless you are willing to pay a very high price, and unless you are willing to discriminate against some regions of the country, that is to say, unless you are willing to force the electric consumers in one part of the country to pay a lot more than the electric consumers in another part of the country. That does not make sense to me as a national energy policy.

Unless there is someone on the other side wishing to speak, I yield 7 minutes to the Senator from Alaska.

The PRESIDING OFFICER (Mr. NELSON of Florida). The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I ask how much time remains on our side?

The PRESIDING OFFICER. Seventeen minutes.

Mr. MURKOWSKI. I wonder if I can take 7 minutes.

Mr. KYL. Yes, 7 minutes.

Mr. MURKOWSKI. Mr. President, I would like to follow up a little bit on the Senator from Arizona, Senator KYL. He has mentioned an awful lot about cost. I think we need to address this in specifics.

Let's assume a utility must purchase the credits. Let's assume we have a utility that generates no new renewables. They make that decision. Let's take the hypothetical utility. I am going to be specific. I am going to take one that we can identify and we have the information relative to the cost.

Let's assume retail sales are a billion kilowatt hours. What we would have to do is to take 10 percent of the renewable portfolio standard that is in effect times 10 because we are looking for a 10-percent renewability. That means roughly 100 million kilowatt hours of renewable—that is 10 percent of a billion—times 3 cents per kilowatt hour. That is \$3 million for renewable credits. That \$3 million would be passed on to the ratepayers.

Let's take an actual utility. I hope the delegation from Wisconsin is here because the Wisconsin Electric retail sales for the year 2000 were 3.173 billion kilowatt hours, times 10 percent renewable portfolio standard; that is, 317 million kilowatt hours, times 3 cents per kilowatt hour, which is \$9.5 million for renewable credits. That is what they are going to go out and buy if, indeed, they do not develop renewables. Whether they make that decision or not, the point is it is going to cost their consumers. It is going to cost their consumers \$9.5 million. What is that going to amount to, to the average consumer? What is the ratepayer going to pay in Wisconsin? He is going to have a 5-percent increase. I do not think it is fair to suggest, by any means, that somehow these renewables are going to just come on.

I ask unanimous consent we have printed in the RECORD a letter from a group that happens to support specifically the Kyl amendment. They want to support the modified language in the Kyl amendment in order to mitigate and eliminate the harmful economic consequences for the renewable fuels portfolio mandate.

I also ask unanimous consent a letter from the Florida Public Service Commission be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE COMMITTEE ON ENERGY
AND NATURAL RESOURCES,
Washington, DC, March 5, 2002.

Hon. FRANK H. MURKOWSKI,
U.S. Senate,
Washington, DC.

DEAR SENATOR MURKOWSKI: We are writing to express our deep concern over the economic impact of the renewable electricity portfolio mandates contained in the Substitute Amendment (the Energy Policy Act of 2002) to S. 517. This renewable portfolio standard would require that 10 percent of all electricity generated in 2020 must be generated by renewable facilities built after 2001. The renewable portfolio standard would become effective next year, and the amount of renewable generation required would increase every year between 2005 and 2020. While we believe that renewable sources of generation should have an important, and growing, role in supplying our electricity needs, the provisions contained in the Substitute Amendment was not reasonable and cannot be achieved without causing dramatic electricity price increases. This in turn would have the unintended consequence of reducing the competitiveness of American businesses in the global economy and, thereby, reducing economic growth and employment.

Today, according to the Energy Information Administration, non-hydro renewables placed in service over past decades make up only about 2.16 percent of the total amount of electricity generated in the United States. However, even this modest existing renewable capacity will not count under the Substitute Amendment toward satisfying the renewable portfolio requirement. Generally, under that Amendment, renewable facilities that can be used to meet the 10 percent minimum must be placed in service in 2002 or thereafter. Therefore, compliance with the Substitute Amendment's 2.5 percent renewables mandate for 2005 would require doubling the amount of non-hydro renewables that we now have in just three years—even though it took us more than 20 years to get to where we are today.

In addition, because the Substitute Amendment requires that 10 percent of all electricity generation, not capacity, must come from renewables, vast numbers of renewable electricity-generating facilities will have to be built. Wind energy, perhaps the most promising non-hydro renewable technology, operates effectively only between 20 percent to 40 percent of the time. Solar is also intermittent. Therefore, the actual amount of newly installed capacity needed to generate enough electricity to meet the Daschle Amendment's requirements could well exceed 20,000 megawatts by 2005. To put this into context, according to the American Wind Energy Association, we currently have less than 5,000 megawatts of installed wind capacity in the United States.

Simply imposing an unreasonable large, federally mandated requirement to generate electricity from renewables will not guarantee that enough windmills and other renewable facilities can be built on schedule; that the wind (or sun or rain) will cooperate; or that the generating costs will be as low as would be the case from a more diverse, market-dictated portfolio of conventional, as well as renewable and alternative fuels. If retail suppliers do not comply with the mandate, they would face a 3 cent per kilowatt hour civil penalty. Some way suggest that this penalty would operate as a "cap" on the inevitable run up of electricity costs under the Amendment. Even if this penalty were effective at limiting skyrocketing electricity costs—and experience with similar "penalties" indicates that it will not—the penalty still would constitute an almost doubling of current wholesale electricity prices

for renewable power. Clearly, electricity rates will substantially increase if the Substitute Amendment becomes law.

The Federal Government's past record in choosing fuel "winners and losers" is dismal. The Powerplant and Industrial Fuel Use Act of 1978, which prohibited the use of natural gas in electric powerplants and discouraged its use in many industrial facilities, was essentially repealed less than a decade later when its underlying premises were conceded to be wrong. While holding back the use of natural gas, the Federal Government spent billions of dollars attempting to commercialize "synthetic fuels," including oil shale and tar sands, with little to show for its efforts.

While we believe that the Federal Government has an important role to play in encouraging the development of renewable and other energy technologies, we are troubled when that role turns to mandates and market set-asides for one particular fuel or technology. Mandates and set-asides usually don't work, and create unintended consequences far more severe than the underlying problem being addressed.

For these reasons, we respectfully request that you support efforts to modify the language in section 265 of the Substitute Amendment to S. 517, in order to eliminate or mitigate the harmful economic consequences of the renewable fuels portfolio mandate.

Sincerely,

Adhesive and Sealant Council, Inc.,
 Alliance for Competitive Electricity,
 American Chemistry Council,
 American Iron and Steel Institute,
 American Lighting Association,
 American Paper Machinery Association,
 American Portland Cement Alliance,
 American Textile Manufacturers Institute,
 Association of American Railroads,
 Carpet and Rug Institute,
 Coalition for Affordable and Reliable Energy,
 Colorado Association of Commerce and Industry,
 Edison Electric Institute,
 Electricity Consumers Resource Council,
 Independent Petroleum Association of America,
 Industrial Energy Consumers of America,
 International Association of Drilling Contractors,
 Interstate Natural Gas Association of America,
 National Association of Manufacturers,
 National Lime Association,
 National Mining Association,
 National Ocean Industries Association,
 North American Association of Food Equipment Manufacturers,
 Nuclear Energy institute,
 Ohio Manufacturers' Association,
 Oklahoma State Chamber of Commerce & Industry,
 Pennsylvania Foundry Association,
 Pennsylvania Manufacturers' Association,
 State of Florida Public Service Commission,
 Texas Association of Business and Chambers of Commerce,
 U.S. Chamber of Commerce,
 Utah Manufacturers Association,
 Westbranch Manufacturers Association.

PUBLIC SERVICE COMMISSION,
 CAPITAL CIRCLE OFFICE CENTER, 2540
 SHUMARD OAK BOULEVARD,
 Tallahassee, FL, March 18, 2002.

Re: Energy Legislation (Substitute Amendment 2917 to S. 517)

Hon. BILL NELSON

U.S. Senator, Washington, DC.

DEAR SENATOR NELSON: The purpose of this letter is to let you know that the Florida Public Service Commission has major concerns with the 400-page Substitute Amendment currently being addressed by the Senate. It is extremely preemptive of State Commission authority. If legislation moves forward, we ask that it provide a continuing role for States in ensuring reliability of all aspects of electrical service-including generations, transmission, and power delivery services and should not authorize the FERC to preempt State authority to ensure safe and reliable service to retail customers. Also, we support the Kyl amendment on the renewable portfolio standard.

In particular, our concerns are:

(1) ELECTRIC RELIABILITY STANDARDS

The substitute amendment would limit the States' authority and discretion to set more rigorous reliability standards than the Federal Energy Regulatory Commission (FERC) over transmission and distribution. In fact, the Substitute Amendment appears to provide no role for States at all on transmission reliability. Yet, the Florida Legislature has carefully set out statutory authority for the FPSC over transmission.

If legislation moves forward, Congress should expressly include in the bill a provision to project the existing State authority to ensure reliable transmission service. We note that the Thomas amendment passed. The amendment appears to strengthen state authority. In that regard, the amendment is better than the overall bill under consideration. Our interpretation is that the amendment will not restrict state commission authority to adopt more stringent standards, if necessary.

(2) MARKET TRANSPARENCY RULES

This section is silent on State authority to protect against market abuses, although it does require FERC to issue rules to provide information to the States. State regulators must be able to review the data necessary to ensure that abuses are not occurring in the market.

(3) PUBLIC UTILITIES REGULATORY POLICY ACT (PURPA)

The FPSC supports lifting PURPA's mandatory purchase requirement, but States should be allowed to determine appropriate measures to protect the public interest by addressing mitigation and cost recovery issues. Thus, we do not support preempting State jurisdiction by granting FERC authority to order the recovery of costs in retail rates or to otherwise limit State authority to require mitigation of PURPA contract costs. States that have already approved these contracts are better able to address this matter than the FERC.

(4) FEDERAL RENEWABLE PORTFOLIO STANDARDS

This requires that beginning with 2003, each retail electric supplier shall submit to the Secretary of Energy renewable energy credits in an amount equal to the required annual percentage to be determined by the Secretary. For the year 2005, it will be less than 2.5 percent of the total electric energy sold by the retail electric supplier to the electric consumer in the calendar year. For each calendar year from 2006 through 2020, it shall increase by approximately .5 percent.

The Secretary will also determine the type of renewable energy resource used to produce the electricity. A credit trading system will

be established. While a provision is established to allow states to adopt additional renewable programs, we continue to have concerns. Thus, we strongly support the Kyl amendment which provides some flexibility to the States.

The FPSC believes that States are in the best position to determine the amount, the time lines, and the types of renewable energy that would most benefit their retail ratepayers. This particularly true in the case of States without cost-effective renewable resources. A one-size-fits-all standard will likely raise rates for most consumers.

(5) CONSUMER PROTECTION

The FPSC is concerned with language in Section 256 that requires the State actions not be inconsistent with the provisions found in the bill. While the FPSC favors a strong consumer protection measures, preempting States by Federally legislating retail consumer protections is not necessary. States are better positioned to combat retail abuses. States are partners with federal agencies in these efforts to ensure consumer protection.

The critical role of State Commissions in the analogous area of implementing the Federal Telecommunications Act provision against slamming (the unauthorized switch of a customer's primary telecommunications carrier) serves as a good example. The Federal Communications Commission saw the benefit of having State Commissions carry out the anti-slamming program. State Commissions are simply better situated and have a more in-depth understanding of the abuses in the consumer protection arena. As a result, Florida's slamming rules are actually more strict and provide better remedies to the consumers than the FCC rules. We would like to retain the ability to take similar steps in the energy area if warranted.

It is our understanding that there are now 100-200 amendments. We are in the process of reviewing all of them. In the meantime, please call us with questions on them. We appreciate that your staff has been in frequent contact with FPSC staff.

In conclusion, we request that you take these points into consideration as energy legislation progresses. Please do not hesitate to call if we may be of further assistance.

Sincerely,

LILA A. JABER,
 Chairman.

Mr. MURKOWSKI. I might observe, the State of Florida is in company here with a lot of other corporations. Nevertheless, I think what we have is people who are suggesting that, indeed, we have not examined sufficiently the ramifications of just what this mandate is.

It has worked, in my opinion, with the States. Fourteen States have mandated renewables. It is working. Now we are coming out and saying one size fits all.

In my State, if I want to have biomass, I am left out in the cold because I do not have anything but timber on public land. But it says in here that unless it is slashing, I can't even use waste from mature logs that happen to be harvested. I can't use the bark, can't use the sawdust, unless there is an amendment to this. Maybe we can get over that.

There is not an awful lot of thought that has gone into this. In my opinion, it has been an effort to try to accommodate various concerns. Yes, renewables are good. We ought to really have

renewables. But we are forgetting how much it costs. We are also forgetting a very important feature associated with renewables, and that is we continue to support fundamentally the funding that we have had, which has been in the area of almost \$7 billion in the last 5 to 6 years in developing these renewables. But they do not come free.

When we do a mandate, I really question the wisdom of it. I know it is very convenient to walk out of here and say we have all voted for renewables. That is comforting. It is good. But by the same token, the public ought to know there is no free ride here.

As we look at biomass, a lot of people aren't knowledgeable. They don't really know what happens. What you do is you burn wood products. You get emissions. Emissions are a problem, and we are concerned about it. I do not see any great emphasis here for nuclear, which is clean and generates a tremendous amount of power.

We have inconsistencies relative to whether we include hydro as a renewable. Certainly, in my opinion, it is. We are going to get into a debate on this, I think, over an amendment by one of our Republican Members from Maine who wants to exclude, if you will, Maine. I am going to have a hard time supporting an exemption for one State and not another.

I see my friend, the Senator from New Mexico. I am going to sit down now and let Senator DOMENICI be recognized, if it is the preference of the junior Senator of New Mexico.

The PRESIDING OFFICER. The Senator from Alaska has consumed the 7 minutes.

Mr. MURKOWSKI. I yield the remainder of my time, and I will give it to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico. The Senator has 10 minutes remaining.

Mr. DOMENICI. Senator BINGAMAN, I would not keep us here this evening, but I will be busy in the morning because of a markup, so I will use some time tonight.

First, before we are finished with our debate and votes, I will return to the Chamber and give a rather detailed analysis of the positive things in this bill for nuclear power for the future of our country and the world. While I mention that, I thank Senator BINGAMAN again for his leadership on Price-Anderson.

We have overcome one major hurdle. It is clear that you could not have been considering significant additions to the utility electric generating powerplants that would be powered by nuclear if we had not done that. But there are many things in this bill that will cause those who think nuclear power can, indeed, be part of the American scene to say that Congress is recognizing that and is paving the way for innovation, new approaches to nuclear power, which may, indeed, help us enormously in terms of ambient air quality and achieving minimal emissions in the generation of electricity.

But I come to the Chamber tonight as one who looks at my record with reference to research on renewables. I think I have a pretty good record.

Perhaps it would be fair to say that with all the support we have given to these kinds of sources of energy, we have not done as well as we should have. But during the 6 years I chaired the Energy and Water Development Subcommittee on Appropriations, we provided well over \$2 billion in support for research just in that one bill alone.

There has been real progress on renewables, especially in the cost of wind power over time. I hope a lot more progress will be made as time progresses. But I have very great concerns with the imposition of this renewable standard on the American public.

The current bill, as I understand it, requires that 10 percent of all electricity be derived from new renewable sources by the year 2020 or be subject to a 3-cent-per-kilowatt-hour penalty. I don't believe this standard can be met without causing significant increases in electric prices. If you were going to increase electric prices to get more electricity, that would be one thing. But I think we are going to increase all electric costs because of the mandate of 10 percent of these renewable sources that are enumerated in this bill.

Remember that this mandate applies only to the privately owned utility companies. It does not apply to public ones, as I understand it. So it will just be a mandate on the privately owned companies in this country.

At least in my office, there has been a bit of an outcry over this proposal, including a concern from the Public Service Company of New Mexico, the principal utility company, and indications that to meet this requirement they believe it is going to cost New Mexico users considerably more money. I met with them again today. They still believe that to meet this 10 percent mandate, the utility company costs in New Mexico will have to go up, and go up substantially. To put it simply, utilities have to provide power, whether the sun shines and the wind blows or not.

The costs of Senator BINGAMAN's amendment are partly driven by the way the renewable portfolio is structured. We have discussed this with him and with his staff.

One of my strongest concerns involves the wording in the amendment that focuses on energy generated by solar and wind renewable sources.

To put it simply, utilities have to provide power, which I have just indicated, whether the Sun shines or the wind blows or not. Solar and wind, by their very nature, are intermittent sources of power. On average, these sources deliver about one-third of their capacity as actual energy. Under this bill, they are required to produce 10 percent of the electricity. But as I am indicating now, it is not based upon capacity but rather on energy produced and used. That means you will have to

pay three times as much to get to the 10 percent.

Now these renewables account for a small fraction of the portfolio. A utility can fairly easily find some other small source to cover those days when you don't have Sun or wind. But as that renewable fraction climbs, the utilities are placed in the position of having to build the renewable source to meet this mandate, and then, on top of that, build a stable baseload capacity from some other stable source to use when the Sun and the wind don't cooperate.

This leads to what everyone should understand to be a double whammy on the ratepayer. I could even argue that it is a triple whammy on the ratepayer because they not only have to pay for the renewable capacity—that is only useful about one-third of the time—and the baseload capacity to cover the other two-thirds of the time, but they also have to pay the cost differential for renewable power. Even with wind, which is the most economical of the renewables, the cost differential is at least 2 cents per kilowatt-hour, translating in terms of costs today to the American public of at least \$11 billion annually. Somebody will pay for it.

By the year 2020, the annual cost will be what I have just described. It will be parts of that \$11 billion as we move up, because you won't just wait and go to 2020 and start producing, you will clearly have to start using the solar, or wind, or whichever energy is allowed under this amendment.

Another way of estimating it is the penalty of 3 cents per kilowatt-hour that is imposed for the failure to meet the standard and to figure that as a cost. I have tried to do that. In New Mexico, this would lead to a figure as high as \$40 million a year in additional electricity costs. States such as ours are already reeling from unfunded mandates such as the arsenic standard. They don't need more help from the Federal Government to extract higher electricity rates to meet new standards, unless there is no other way to get America's energy crisis—to control it and to preserve and protect our ambient air.

I believe there are other ways. I believe we can change this amendment so it won't be so onerous. I will be discussing that prospect with the manager of the bill, but not this evening. I will not offer any amendment with reference to changing the structure, but I will talk about it. Perhaps it can be considered before we leave the floor or in conference as something that will be looked at to make it more realistic instead of this capacity and energy dichotomy which I have just explained.

We can greatly simplify the planning of utilities and minimize the substantial burden of this new standard by simply switching from an "energy-generated" basis to a "capacity" basis. That would make it easy to measure. It would produce a modicum of reasonableness in this bill. It would be completely predictable.

When a company puts in a megawatt of wind capacity, the capacity is known, even though the power derived from the resource is not known. It is probably only around 300 kilowatts.

Let me repeat that when a company puts in a megawatt of wind capacity, that capacity is known, even though the power derived from the resource is not known. And it is probably only 300 kilowatts, one-third of the credit I have just described.

When I talk about the intermittent nature of renewables, I hope my colleagues know this is no exaggeration. I have seen the actual data from a large wind farm in Minnesota. At times it does a great job, but there are times when that same farm has to draw power from the grid to power its instruments because they are inoperative when the wind hasn't blown for a certain amount of time. Thus, they are a user of energy during some period of time when the wind is down.

It is not as simple as people think. If this is going to be implemented using the definitions in this bill, it will be extremely difficult. Interpretations will have to be made. I believe before too long we ought to straighten that out, make it far more intelligible, more simple, and something that is more rational.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico, the chairman of the committee.

Mr. BINGAMAN. Mr. President, how much time remains in opposition to the Kyl amendment?

The PRESIDING OFFICER. Twenty-two minutes.

Mr. BINGAMAN. How much for the proponents?

The PRESIDING OFFICER. The time has expired.

Mr. BINGAMAN. Mr. President, I will not use the full 22 minutes, but I would like to summarize some key points in response to some of the debate we have heard today.

A major criticism of the Bingaman amendment—which we have been talking about, as well as Senator KYL's amendment—has been that the proponents of Senator KYL's amendment—Senator KYL, and others—believe that to require the generation of some portion of a utility's power from renewable sources is going to dramatically increase utility prices.

All I will do is once again refer, as I did yesterday, to the study which Senator MURKOWSKI, my colleague, the ranking member on the Energy Committee, requested of the Energy Information Administration. He asked them to study this exact issue. And he was very specific. He said: Please study this and do not consider any tax benefit we are providing for any of these renewable energy sources.

They came back with their conclusion. They concluded—I am now quoting from an article in the Energy Daily dated March 12—"that a 10 percent renewable portfolio standard

would have little impact on future electricity prices."

That was their conclusion. They spent some time on this. They have capable people in the Energy Information Administration, and they were being asked to study this by Senator MURKOWSKI, who was hoping, I am sure, they would conclude something else so he could use their study as part of his argument on the Senate floor.

Let me go on with what is said in this article. It says:

The study, released Friday, concludes that the retail price impacts of a requirement that electricity generators provide at least 10 percent of their output from renewable resources by 2020 "are projected to be small because the price impact of [the program] is projected to be relatively small when compared with total electricity costs and to be mostly offset by lower gas prices."

It is clear to me that we have some scare tactics going on here. We have all these allegations: All these utilities are going to see this cost added, that cost added.

The reality is that many of the utilities that were cited here as having to anticipate great cost increases will not see any cost increase because they will be sellers of renewable power, both to their customers and, perhaps, to other utilities because they have been forward thinking and they have been developing renewable power as one of the sources for energy.

The simple fact is, every utility in this country—virtually every utility in this country—is going to have to add capacity. They are going to have to add additional generation capacity over the next 18, 20 years, over the period that this amendment covers. Most of them are doing so now.

In my home State, very near my hometown—I live in the southwest part of New Mexico; that is where I grew up, Silver City, NM—the three nearest communities to my hometown all have brandnew electricity generating plants going in. They are being constructed as we speak. There is one in Las Cruces, NM. There is one in Deming, NM. There is now going to be one in Lordsburg, NM. In each case, it is very interesting—and two of those are by one company; one is by another company—they are gas-fired generating plants. And that is typical. Ninety-five percent of the new generation which is being constructed in this country for meeting future demand is gas-fired generation. That is great. That is very good for my State because we produce a lot of gas in New Mexico. We can sell that gas, so we are very happy about it.

If you look at this chart, you get a little concerned because when you go from 2000 out to 2020, you can see that our dependence upon natural gas as a source for energy electricity generation grows and grows and grows. Whereas today we are 69-percent dependent upon coal and natural gas to generate electricity in this country, and by 2020 we are going to be 80-percent dependent upon those two fuels, unless we adopt the Bingaman amend-

ment to try to add some diversity to the different sources of power upon which we can rely.

People might say: Why am I concerned about the fact that we are getting more and more dependent on natural gas? As I say, my State benefits from that. The reason I am concerned is, No. 1, we are not producing as much natural gas as we are consuming, and we are not expected to in coming years. Accordingly, there is going to be a shortfall, and we are going to start either finding more expensive natural gas somewhere or we are going to start importing more and more of our natural gas in the form of LNG from the Middle East and other places. So that as we are now dependent upon foreign sources of oil, then we will be dependent not only on foreign sources of oil but also foreign sources of natural gas in order to generate electricity in this country. So that concerns me.

The other reason is the price. The price of natural gas today is low. Everybody is happy because their electric bills are low. But I can remember 18 months ago when the price of natural gas was \$8 and \$10 rather than the \$2.50 or so that it is today.

We have provisions in this comprehensive energy bill that encourage more production of nuclear power. We have provisions that encourage the coal industry in this country by funding substantial additional research as to how we can use coal in an environmentally acceptable way. We have natural gas provisions that encourage more natural gas production. All of that I support. All of that is important for our future.

But as well as that, we need to also have provisions that encourage more use of renewables. That is what we have. We have this provision in here that tries to say to these utilities: Fine, do all these other things, but, at the same time, start giving some serious attention to the need to develop renewable energy sources.

This is not a heavy lift. We are saying, in the year 2005, we think each utility in the country ought to produce 1 percent—1 percent—of the power they generate from renewable sources of one kind or another. And then we say, in the year 2006, it ought to be maybe 1.6 percent. So it goes up in a very modest way. And we have all sorts of flexibility so they can trade with others if they are having difficulty in meeting their requirement.

The truth is, a great many utilities will meet the requirements of this bill very soon. They will have no problem at all. The truth is, a lot of States have not gotten their act together to do anything. They should have. This will prompt them to do something.

My State is one of those. We are listed as one of the top States in the country for wind energy as a resource because we have a lot of wind in New Mexico, particularly this time of year, in the spring. The reality is, though, we have no wind farms in New Mexico.

If this becomes law, we will have wind farms in New Mexico. Frankly, the power produced from those wind farms, in my view, will likely be cheaper than the power produced from some of these gas generating plants if the price of gas goes up where I think it is likely to go over the next 10 to 15 years.

All of these estimates about how much this is going to cost, and that it is going to cost these enormous amounts, all assume a very low price for gas. If you think the price of gas is going to stay below \$3 per MCF, then you have no problem with using natural gas from now on.

I am concerned, though, when the price of natural gas goes to \$5, goes to \$6, goes to \$8, where it was before. In those circumstances, people are going to be very glad they have some alternative sources for energy so they can moderate the increase they will see in their utility bills. That is what we are trying to do.

There are great environmental benefits from using renewable energy sources. We all know that. Also, I think it is just smart. We are having a lot of debates about Enron and pensions. We had a hearing this morning in the Health and Education Committee. Everybody said: Everyone knows you ought to diversify your investments, you ought to diversify your portfolio, that you should not put all your eggs in one basket. That is common sense when you are making investments. It is also common sense when you are looking for a portfolio of energy sources. It is common sense to say: Let us diversify so we are not too dependent upon any one source of power.

That is exactly what we are trying to do with this amendment. I think my underlying amendment is a good one. The Kyl amendment just takes the guts out of it. The Kyl amendment is very simple. I cited this earlier in my comments. This is classic. It says:

Each electric utility shall offer to retail consumers electricity produced from renewable sources, to the extent it is available.

I favor that. That is what they are doing today. They are offering it to the extent it is available. The Kyl amendment is just a prescription for the status quo. What we are saying is, let's make it available, and let's make it available in large quantities. There are a lot of Americans who would like to buy more power from renewable sources. Let's make it available. That is what our renewable portfolio standard tries to do. The Kyl amendment would undo that.

For that reason, I oppose it strongly and urge my colleagues to oppose it.

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. BINGAMAN. Mr. President, until we can get a better read from the leadership as to whether they have additional business to transact, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I yield back the remainder of my time on the Kyl amendment.

The PRESIDING OFFICER. All time is yielded back.

MORNING BUSINESS

Mr. BINGAMAN. Mr. President, I ask unanimous consent that Senators be allowed to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oregon.

(The remarks of Mr. WYDEN pertaining to the introduction of S. 2037 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

CAMPAIGN FINANCE REFORM

Mr. WYDEN. Mr. President, I know the hour is late, but I want to take just a couple of additional minutes to talk about the campaign finance legislation that passed today. I very much appreciate the indulgence of the Presiding Officer. I just have a few minutes I want to use to discuss the landmark bill that passed today.

First, as so many colleagues, I salute Senators MCCAIN and FEINGOLD. They are a model of what it takes to get a tough proposal through the Congress. They simply would not take no, literally. From the time I came to the Senate, both of them double-teamed me and made it clear they were going to stay at it until I had come around to the value of supporting their legislation. In fact, I went on record in support of the legislation as soon as I came to the Senate, and I wanted to talk to them about some additional ways to strengthen the bill.

One of those additional proposals has become a part of the legislation that passed the Senate today. I want to touch on it briefly.

I offered this proposal with our friend and colleague, Senator SUSAN COLLINS of Maine. It is called the stand-by-your-ad requirement. It is a significant step forward in promoting accountability in the political process. It will provide a meaningful step to slow the corrosion of the political process and essentially the corrosion that springs from a lack of Federal responsibility when Federal candidates take to the airwaves to win elections but do not want to be held accountable.

The stand-by-your-ad proposal that was included in the legislation we voted on today is straightforward. It says simply that to qualify for the special advertising discount given to candidates now for Federal office, those candidates have to personally stand by

any mention of an opponent in a radio or television ad by placing a photo on the screen and stating he or she personally approved the broadcast or personally identify themselves in a radio ad and reading a statement saying they have approved the ad.

First amendment rights are protected under this proposal. Candidates can say anything they please. They just have to personally stand by their remarks to get the discount. They can say anything they want, however far-fetched and however extreme. As long as it is allowed under Federal law, they can still say it. To get the discount, if they are going to attack their opponent—of course, that is almost invariably what happens when you mention an opponent in an ad—they have to stand by that ad and personally be held accountable.

If a candidate chooses not to stand by a reference to an opponent, they will buy their ad time at a rate comparable to that charged a commercial user at the station.

Take Nebraska, Oregon, or any part of the country. What happens now, in effect, is the local car dealer or restaurant or other private sector firm has to pay more for various ads because there are subsidies that are given for political campaigns. We are saying that to get those subsidies, to get those discounts, you have to stand by your ad. A candidate who is going to say something positive or negative about an opponent has to own up to it, not just edit together a bunch of shadowy pictures to cover up the fact he or she is the one making the statement.

What this means is that if you want to get the discount with respect to your campaign, you are not going to be able to hide anymore behind those grainy pictures and bloodcurdling music. You are not going to be able to paint your opponent as somebody who looks like they just came out of prison and has not had a chance to get cleaned up and has had every possible dastardly act impugned to them. You are not going to be able to do that any longer. You are going to have to own up to what you say and not just run these grainy pictures and frighten kids and families with bloodcurdling music in an effort to score points at your opponent's expense.

As the Chair knows, we are all campaign veterans in this body and know a little bit about how in a campaign the sucker punches happen. They are not made on the stump while the candidate stands there with the band and bunting all around. They are made on TV; they are made on radio when the announcer's voice comes on in the most sinister way and shadowy pictures appear saying a vote for your opponent is pretty much a vote to end Western civilization. That is what happens in a campaign. You have again and again portrayed your opponent not as somebody with whom you disagree on the issues but someone who is going to be a threat to the American way of life, and