



# ENERGY NEWS

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## \$6.3 Billion Energy Budget Proposed

by Robert Farmer, ©1998

If you missed it, this is what President Clinton had to say about energy in his recent State of the Union Address—

“Our overriding environmental challenge is a worldwide problem requiring worldwide action, the gathering crisis of global warming.

The vast majority of scientists have concluded unequivocally that if we do not reduce the emissions of greenhouse gases, at some point in the next century we will disrupt our climate and put our children and grandchildren at risk. This past December, America led the world to reach a historic agreement committing nations to reduce greenhouse gas emissions through market forces, new technology and energy efficiency.

We have it in our power to act right here, right now. I propose \$6 billion in tax cuts and research and development to encourage innovation, cleaner factories, fuel efficient cars, energy efficient homes.

Every time we have acted to heal our environment, pessimists have said it would hurt our economy. Well, today our economy is the strongest in a generation, and our air and water are the cleanest in a generation.

Americans have always found a way to grow the economy and clean the environment at the same time. And we'll do it again.”

The proposed tax cuts and R&D are part of a 6-point national plan first outlined last October in advance of the Kyoto Protocol negotiations. The Administration believes that the U.S. cannot wait for a binding legal agreement on greenhouse gas emissions to be signed and that it must act to start combatting global climate change today.

The \$6.3 billion budget is made up of \$3.6 billion in tax cuts over the next five years and \$2.7 billion in increased R&D.

### **Tax Cut Highlights for Buildings & Industry:**

- 1%-of-purchase-price credit, up to \$2,000, for highly energy-efficient new homes beginning in 1999.
- 15% tax credit for rooftop solar systems and solar water heating systems.
- 20% tax credit for energy efficiency improvements—a subsidy for highly efficient fuel cells, advanced central air conditioners, gas and electric water heaters and gas and electric heat pumps.
- 10% investment tax credit for combined heat and power systems.

### **R&D Highlights for Buildings & Industry:**

- Develop more efficient housing, buildings, appliances and power generation, such as new turbines and fuel cells.
- Expand research on renewable energy resources, and cleaner coal technologies.
- Extend the operating lives of nuclear power plants.

- Remove and sequester carbon from emissions to prevent escape into the atmosphere.

As I see it, no matter who's in power, this has to be the right direction to take. By asserting its customary role as leader, the United States is putting the country's vast resources to work building a more sustainable future. In that future the additional benefits will be brand new industries and jobs which will be producing technologies and services both for ourselves and the developing world. What more of a rationale do we need to get on with the job?•



Robert Farmer is an energy planning engineer and energy policy specialist. A comprehensive resource on technologies, issues, and policies, he offers clients strategies, briefings, and presentations on planning a sustainable energy future.

His technical expertise includes large scale to small scale power generation, combined heat and power (CHP), marine and surface transportation, and alternative fuel applications.

A Florida resident since 1984, Robert was a member of the Energy Advisory Committee of Governor Chiles' Commission for a Sustainable South Florida.

He is a Regional member and Market Development Chair of the Gold Coast Clean Cities Coalition (a U.S. Department of Energy program), and a member of the Southeast Air Coalition for Outreach (SEACO, an initiative of the Florida Department of Environmental Protection).

He is a member of the international Association of Energy Engineers (AEE) and since 1992 has served on the Board of the Southeast Florida Society of Energy Professionals, the local AEE chapter. He is a member of the Sound Science Initiative of the Union of Concerned Scientists, and a member of the United States Association for Energy Economics (USAEE).

He is also a member of the Board of Directors of the Tallahassee-based law firm, Legal Environmental Assistance Foundation, Inc. (LEAF), and of Third Planet, a Fort Lauderdale-based public charity.

He graduated as a Planning Engineer with Bristol-Siddeley Engines/Rolls Royce Gas Turbines Ltd. in the United Kingdom and has over 30 years engineering, sales and service management experience in the engine power industry in North America.

robertfarmer@conceptcommuniques.com  
CONCEPT COMMUNIQUÉS INC.  
5200 N Federal Hwy Ste 2  
Fort Lauderdale FL 33308  
(954) 493-8127

[www.conceptcommuniques.com](http://www.conceptcommuniques.com)