

Powering the Future Energy Policy Act 2005

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*The Montana Symposium:
Energy Future of the West*

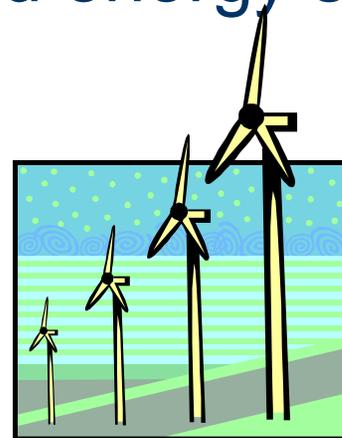
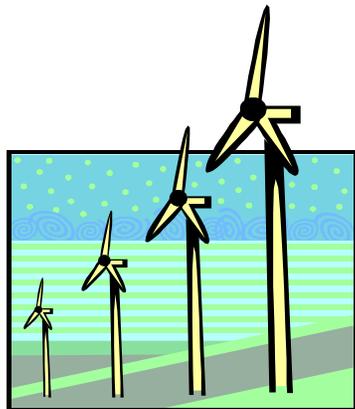
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Untapped Resources

- | Tribes own millions of acres land
- | Last 20 years, Indian lands contributed 11% of the nation's oil and gas production, 11% coal production
- | Significant potential for renewable energy development, especially in the southwest and upper mid-west

Energy Security

- | United States has vital interest in developing and diversifying domestic energy supplies
- | Reduce reliance on foreign energy sources
- | Improve national security and energy security



Obstacles to Development

- | Lack of capital investment
- | Lack of financial incentives



Energy Policy Act of 2005

- | Indian tribes uniquely situated to contribute to the nation's energy needs
- | Act will attract capital and investment in Indian country
- | Time is right for Indian country to offer solutions our energy problems

Title V -- Indian Energy

- I Section 502 creates Office of Indian Energy, Policy, and Programs in DOE
- I Section 503 amends Title 26 of the Energy Policy Act of 1992 and adds the Tribal Energy Resource Development Program
- I Authorizes DOE Grant Program
 - \$20M authorized
 - Energy efficiency and conservation
 - Electric generation and transmission planning and development
 - Carbon sequestration research projects
- I DOE Energy Loan Guarantee Program
 - 90% of costs to provide or expand provision of electricity on Indian lands

Department of Interior

- I Section 503 amends Title 26 of Energy Policy Act of 1992 – Tribal Energy Resource Development Program
 - Grants for Tribal capacity building
 - Grants to Tribal Energy Resource Development Organizations (TERDOs)
 - Low interest loans, grants, technical assistance to TERDOs

Tribal Energy Resource Regulations

- | Permits tribes to enter into certain leases, business agreements or right of ways without the approval of the Secretary of Interior
- | Tribes assume authority once the Secretary of the Interior approves a Tribal Energy Resource Agreement (TERA)
- | Applies to oil, gas and coal development or for siting of electric generation and transmission facilities

Renewable Energy Incentives

- I Federal Purchase Requirement
 - Creates a market for renewable energy (biomass, landfill gas, solar, wind, ocean, geothermal, new hydroelectric) produced on Indian lands by providing a double credit when federal agencies purchase Indian produced energy
- I Makes tribes eligible for the Renewable Energy Production Incentive

Tax & Other Incentives

- I Federal Preference
 - For purchases of tribal energy products and by products if the seller is 51% tribally owned
 - Buy Indian Act model
- I Section 1301(d) allows a taxpayer to claim credit for purchase of coal from a qualified Indian coal facility beginning January 1, 2006
- I Expands Tribal Bond Authority for Clean Renewable Energy Bonds

Power Marketing Administrations

- | Encourage tribal energy development
- | WAPA power allocations can be used to meet firming & reserve needs of Indian projects
- | WAPA may purchase tribally generated power to meet firming and reserve needs
- | Authorized technical assistance for transmission

The Time is Right

- | Tribal lands are in critical locations and are ideal places to build power plants, wind farms and transmission lines
- | Act provides much needed financial incentives and creates new markets for Indian energy
- | Builds sustainable reservation economies and improve the quality of life