

**S. 1733, the “Clean Energy Jobs and American Power Act”  
Water Provisions Summary**

- Overall, the measure aims to reduce U.S. greenhouse gas emissions from capped sources to 97% of 2005 levels by 2012, 80% by 2020, 58% by 2030, and 17% by 2050. Beginning in 2012, capped sources are Electricity generators, refiners and importers of petroleum-based and other specified liquid fuels, fluorinated gas manufacturers, and emitters of nitrogen trifluoride. Beginning in 2014, capped sources include specified industrial sources. Beginning in 2016, capped sources include local distribution companies that deliver natural gas. Emissions caps do not apply to municipal drinking water or wastewater utilities.
- The bill includes a “Water System Mitigation and Adaptation Partnerships” program, similar to programs proposed in bills introduced earlier this year (H.R. 2969 and S. 1712) and supported by AWWA. The program would enable drinking water and wastewater utilities to compete for funding to implement climate change adaptation projects designed to protect water quality and quantity. The bill would fund the program through a portion of greenhouse gas emissions auction revenues, as explained below:
  - ***Division A, Title III, Subpart D, Section 381: Water System Mitigation and Adaptation Partnerships.*** Requires the EPA Administrator to establish a water system mitigation and adaptation partnership program for distribution of funds by each State as grants for water system adaptation projects. Clearly identifies drinking water and wastewater utilities as eligible recipients of program funding. Provides for a competitive process, prioritizing applications for water systems at the greatest and most immediate risk of facing significant climate-related negative impacts, and establishes requirements and goals to be met by States in awarding grants.
  - ***Division B, Title II, Section 211: State Programs for Greenhouse Gas Reduction and Climate Adaptation.*** Makes the Water System Mitigation and Adaptation Partnerships program eligible for a portion of state-allocated revenues from the auction of carbon allowances. The following is the process through which the program would receive funding:
    - The EPA Administrator is directed to auction carbon emissions allowances to fund a variety of different objectives, including state programs for greenhouse gas reduction and climate adaptation (Section 771(b)(7)). The legislation does not specify the amount of allowances that must be auctioned for this purpose.
    - Proceeds from this auction must be deposited into a “State Climate Change Response and Transportation Fund” at the U.S. Treasury.

- Of the funds deposited into the “State Climate Change Response and Transportation Fund” each year, the Administrator must first distribute them to states as follows:
  - 10% to coastal and Great Lakes states
  - At least 1% to Indian tribes
- The remaining proceeds must be distributed to all states (including coastal and great lakes states that already received a portion of the 10% set-aside) based on their population and per-capita income. 50% of these funds must be distributed to state transit grant programs, and the remaining proceeds may be used to fund state climate adaptation programs, including the Water System Mitigation and Adaptation Partnerships program.
- Each state must establish a “State Climate Change Response Account” to receive and distribute its adaptation funds to eligible programs, including the “Water System Mitigation and Adaptation Partnerships” program. 12.5% of each state’s SCCRA funds must be distributed to local governments to carry out the same adaptation programs.
- Beginning in 2012, states must submit Climate Change Response Plans in order to continue to receive this adaptation funding. The legislation does not stipulate a process through which a state must formulate its response plan. The bill requires that the plans must assess climate-related risks facing the state, prioritize adaptation measures necessary to build resiliency, and fully consider environmentally friendly approaches to adaptation. The plans must be revised and resubmitted for approval at least every five years.

#### **Other Water-Related Provisions of S. 1733:**

- **Carbon Capture and Sequestration (Division A, Title I, Subtitle B, Sections 121-125):** Requires EPA to submit to Congress a report establishing a comprehensive strategy for the deployment of CCS technology. Requires EPA to establish a coordinated approach to the certification and permitting of sites where geologic sequestration of carbon dioxide will occur. EPA must also to promulgate regulations to minimize the risk of escape to the atmosphere of carbon dioxide injected for geologic sequestration and details the requirements of such regulations.

EPA is also directed to promulgate regulations to oversee the construction and use of carbon sequestration storage wells under Section 1421 of the Safe Drinking Water Act.

- **Water Efficiency (Division A, Title I, Subtitle D, Sections 141-143):** Permanently authorizes federal funding for EPA’s WaterSense program and directs EPA to create a WaterSense label that can be affixed to qualifying

products meeting water-efficiency targets – similar to the Energy Star program. The section also directs Federal agencies to make cost-effective water-efficient procurement decisions by purchasing WaterSense or Federal Energy Management Program certified products whenever possible, and authorizes grants for programs offering incentives to consumers who purchase and install water-efficient products and services such as those labeled under WaterSense.

- **Drinking Water Climate Change Research (Division A, Title II, Subtitle B, Section 211):** Requires EPA to establish and provide funding for a research program, to be conducted through a nonprofit water research foundation and sponsored by drinking water utilities, to assist utilities in adapting to the effects of climate change. Authorizes \$25 million per year from 2010 through 2020 to fund the research program.
- **National Climate Service (Division A, Title II, Subtitle C, Subpart A, Sections 341-342):** Directs the Secretary of Commerce to establish a National Climate Service within the National Oceanic and Atmospheric Administration (NOAA), to develop and disseminate climate information, data, forecasts, and warnings at national and regional scales.