

The White House

Office of the Press Secretary

For Immediate Release

March 30, 2011

FACT SHEET: America's Energy Security

Rising prices at the pump affect everybody – workers and farmers; truck drivers and restaurant owners. Businesses see it impact their bottom line. Families feel the pinch when they fill up their tank. For Americans already struggling to get by, it makes life that much harder. That's why we need to make ourselves more secure and control our energy future by harnessing all of the resources that we have available and embracing a diverse energy portfolio. With an ultimate goal of reducing our dependence on oil, in the near term we must responsibly develop and produce oil and gas at home, while at the same time leveraging cleaner, alternative fuels and increasing efficiency. And beyond our efforts to reduce our dependence on oil, we must focus on expanding cleaner sources of electricity – keeping America on the cutting edge of clean energy technology so that we can build a 21st century clean energy economy and win the future.

Reducing oil imports

In 2008, America imported 11 million barrels of oil a day. By 2025 – a little over a decade from now – we will have cut that by one-third.

- **Expanding Safe and Responsible Domestic Oil and Gas Development and Production:**
 - **Implementing critical safety reforms:** In response to the *Deepwater Horizon* oil spill in the Gulf of Mexico, the Obama Administration has launched rigorous and comprehensive environmental and safety reforms to ensure the responsible development of offshore oil and gas resource
 - **Identifying underdeveloped resources:** The President asked the Department of the Interior (DOI) to issue a report on the status of unused oil and gas leases. That report showed that 57 percent of all leased onshore acres and 70 percent of offshore leased acres are inactive – meaning that they are neither being explored or developed.
 - **Developing incentives for expedited development and production:** DOI is developing incentives for expedited development of oil and gas production from existing and future leases. For its offshore leasing program, the DOI has already begun to employ incentives, including the shortening of some lease terms to encourage earlier development, and requiring drilling to begin before an extension can be granted on a lease. DOI is also evaluating the potential use of graduated royalty rate structures, such as those adopted by the State of Texas, to encourage more rapid production.
- **Securing Access to Diverse and Reliable Sources of Energy:** The U.S. is acting in the international arena to moderate global oil demand and secure additional supplies of liquid fuels and clean energy. We are working with our international partners to increase natural gas supplies, replace oil with natural gas in power generation, and increase responsible oil production in a manner that ensures safety. We are also increasing sustainable bioenergy production, building a new international framework for nuclear energy, and promoting energy efficiency.
- **Developing Alternatives to Oil, Including Biofuels and Natural Gas:** Some of our most effective opportunities to enhance our energy security can be found in our own backyard. We are committed to finding better and smarter ways to use these abundant energy resources. That means:
 - **Expanding biofuels markets and commercializing new biofuels technologies:** Corn ethanol is already making a significant contribution to reducing our oil dependence, but increasing market share will require overcoming infrastructure challenges and commercializing promising cellulosic and advanced biofuels technologies. To help achieve this goal, the Administration has set a goal of breaking ground on at least four commercial-scale cellulosic or advanced bio-refineries over the next two years. And as we do all of these things, we will look for ways to reform our biofuels incentives to make sure they meet today's biofuels challenges and save taxpayers money.
 - **Encouraging responsible development practices for natural gas:** The Administration is committed to the use of this important domestic resource, but we must ensure it is developed safely and responsibly. To that end the Administration is focused on increasing transparency about the use of fracking chemicals, working with state regulators to offer technical assistance, and launching a new initiative to tap experts in industry, the environmental community and states to develop recommendations for shale extraction practices that will ensure the protection of public health and the environment.
- **Cutting Costs at the Pump with More Efficient Cars and Trucks:** The Administration is building on recent investments in advanced vehicles, fuel, technologies, high speed rail, and public transit:
 - **Setting historic new fuel economy standards:** Standards for model years 2012-16 will raise average fuel economy to 35.5 miles per gallon by 2016, and save 1.8 billion barrels of oil over the lifetime of the vehicles covered. In July, the Administration will also finalize the first-ever national fuel economy and greenhouse gas emission standards for commercial trucks, vans and buses built in 2014 - 2018. These standards will cut oil use and promote the development and deployment of alternative fuels, including natural gas. The Administration is also developing the next generation of fuel economy and greenhouse gas emission standards for passenger vehicles 2017-2025 and expects to announce the proposal in September 2011.

- **Paving the way for advanced vehicles:** The President has set an ambitious goal of putting 1 million electric vehicles on the road by 2015. To help us get there, the President's FY 2012 Budget proposes a redesigned \$7500 tax credit for consumers, competitive grants for communities that encourage the adoption of electric vehicles, and funding for R&D to drive innovation in advanced battery technology. At the same time, the President is calling on Congress to move forward with policies that can help unlock the promise of natural gas vehicles.
- **Leading by Example With the Federal Fleet.** The Federal government operates more than 600,000 fleet vehicles. We have already doubled the number of hybrid vehicles in the federal fleet. Today, the President is calling for administrative action directing agencies to ensure that by 2015, all new vehicles they purchase will be alternative-fuel vehicles, including hybrid and electric vehicles.

Innovating Our Way to a Clean Energy Future

Charting a path towards cleaner sources of electricity and greater energy efficiency, and remaining on the cutting edge of clean energy technology.

- **Creating Markets for Clean Energy:** To move capital off of the sidelines and into the clean energy economy – creating jobs in the process – we need to give businesses and entrepreneurs a clear signal that there will be a market for clean energy innovation. That's why the Administration is committed to pursuing a Clean Energy Standard (CES), an ambitious but achievable goal of generating 80 percent of the Nation's electricity from clean energy sources by 2035 – including renewable energy sources like wind, solar, biomass, and hydropower; nuclear power; efficient natural gas; and clean coal.
- **Cutting Energy Bills through More Efficient Homes and Buildings:** Our homes, businesses and factories consume over 70 percent of the energy we use. By making smart investments in energy efficiency in the residential, commercial, and industrial sectors, we can improve U.S. competitiveness and protect our environment, while saving consumers money on electricity bills. That is why the Administration is on track to weatherize 600,000 low-income homes through Recovery Act investments, and why we remain committed to a series of policies that increase efficiency across sectors – including a HOMESTAR program to help homeowners finance retrofits, a "Better Buildings Initiative" to make commercial facilities 20 percent more efficient by 2020, and steps to promote industrial energy efficiency.
- **Staying on the Cutting Edge through Clean Energy Research and Development:** Through the Advanced Research Project Agency-Energy (ARPA-E) program, we have invested in over 100 cutting-edge projects in areas ranging from smart grid technology, to carbon capture, to battery technology for electric vehicles. Past Budgets funded three "Energy Innovation Hubs" that explore building efficiency, fuel from sunlight, and nuclear reactor modeling and simulation. The FY 2012 Budget request more than doubles funding for ARPA-E and doubles the number of Hubs to include new Hubs that will advance smart grid technology, critical materials research, as well as batteries and energy storage.