



## **Energy Policy Act of 2005 Renewable Energy Security Provision FAQs**

**Q. What is the Energy Policy Act of 2005?**

**A.** The Energy Policy Act of 2005 is the official title of the energy bill, passed by Congress in July 2005, and signed by President George Bush on August 8, 2005. The full energy bill is over 1,200 pages of text and encompasses thousands of provisions related to energy production, distribution, and cost for a variety of fuels. This is the first comprehensive federal energy policy to pass Congress since 1992.

**Q. What is the Renewable Energy Security Provision?**

**A.** The Renewable Energy Security Provision (Title II, (A), Sec. 206) provides a discount of 25%, capped at \$3,000, for consumers choosing renewable energy appliances, including pellet stoves, with a thermal efficiency rating of 75%. The provision gives oversight and full administrative authority to the U.S. Department of Energy to operate the rebate program. Additionally, the provision authorizes funding levels for the program, but it does require additional action by Congress, in the form of an appropriations measure, in order to implement the program. Renewable Energy Security Provision (Thomas).

**Q. When will the Renewable Energy Security Provision Take Effect?**

**A.** The Renewable Energy Security provision takes effect upon passage, however, it will take approximately one year to fully implement. The Department of Energy will need time to set up the appropriate management infrastructure, as well as to receive funds from Congress, in order to initiate the program.

**Q. What is the Role of the Retailer and the Manufacturer?**

**A.** The legislative language itself is very unspecific about the burden of proof for the rebate. Currently, it is unclear whether the retailer or the manufacturer will be the rebate recipient, but HPBA/PFI will be working with the Department of Energy officials to create appropriate procedural guidelines. Nevertheless, retailers and manufacturers both are encouraged to continue contacting lawmakers asking for support of appropriations for this provision. HPBA/PFI will be contacting you again with advocacy requests.

**Q. What is the Impact on Hearth and Pellet Industry?**

**A.** It is too early to speculate about the eventual impact that the provision will have on the industry, as it generally relies on the measure of funding that lawmakers decide to allot for the program. Any federally-endorsed incentive for consumers to choose a renewable energy appliance is an important step in the right direction and will be beneficial for the long-term health of the industry, despite any initial operational uncertainties.