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The House of Representatives passed the most significant energy reform legislation in more than a decade.

The New Direction for Energy Independence, National Security and Consumer Protection Act will make a historic investment in new energy technologies, improve energy efficiency and reduce carbon dioxide emissions, according to a news release.

California 1st District Rep. Mike Thompson said this bill will improve federal incentives for the development of several types of renewable and alternative energy.

"We have no choice but to fully embrace the renewable energy sources and innovative technologies available to us," Thompson said. "And this bill does just that."

The legislation will extend federal tax credits for the production of biomass, geothermal, wind and many other types of renewable energy. The solar investment tax credit will extend for eight years, providing long-term stability for the solar energy industry.

The Biodiesel and Renewable Diesel tax credits will also be extended. The legislation created new monetary incentives and will expand existing credits for taxpayers to make their homes and businesses more energy efficient. The bill will also make a first-time investment in new technology known as "smart meters," which allow consumers to better manage electricity usage during peak hours.

The bill will help lower the country's carbon emissions and reduce dependence on traditional fossil fuels. Utility companies would be required to meet a renewable energy portfolio standard whereby 15 percent of their energy must be derived from renewable sources by the year 2020.