



May 2009

Dear Member of Congress:

Our nation is facing severe economic, energy and climate crises, and all these issues are inextricably linked. Fortunately, there are solutions in sight. As a business person, I stand with other businesses large and small in urging you to take bold action to shift us to a clean energy economy and reduce our global warming pollution. At this critical moment, you have the opportunity to take our nation in a new direction, laying a new foundation for sustained economic growth in the 21st century.

As you know, President Obama has called upon Congress to send him legislation that drives America's renewable energy production and places a cap on carbon pollution. This kind of forward thinking is exactly what we need to address our economic, energy and climate challenges. The economic crisis is not an excuse for inaction – it is an opportunity for us to make major investments in energy efficiency, solar energy and wind power to create clean energy jobs, secure our economic viability and restore America's role as a global leader in the clean energy industry. We have an opportunity to lead – but we must be forward-looking in our thinking. Now is not the time for delay or half-measures – it is the time for decisive action and solutions we can believe in.

Right now the American Clean Energy and Security Act of 2009 is before Congress. This bill is a landmark first step to usher America into a powerful clean energy economy that will create millions of jobs for American workers, save consumers and businesses hundreds of billions of dollars in energy costs, make our country energy independent, and limit global warming pollution. To ensure the bill's success, I urge you to make it as strong as possible. More information on how the bill can be strengthened and the need for bold clean energy legislation is included in this package, and I hope these resources will encourage you to pass strong and effective policy initiatives as legislative debate progresses this year.

As a member of Congress, you have a once-in-a-lifetime opportunity, unprecedented in history, to move America from economic collapse and climate disruption to a vibrant clean energy economy and environmental stability. Please take bold action now – our collective future depends on it. As a business person I look forward to working with you to move America in the right direction, for the benefit of current and future generations.

Sincerely,



Congressional Action in 2009 on Bold, Science-based Clean Energy Legislation is Good for Our Economy and National Security

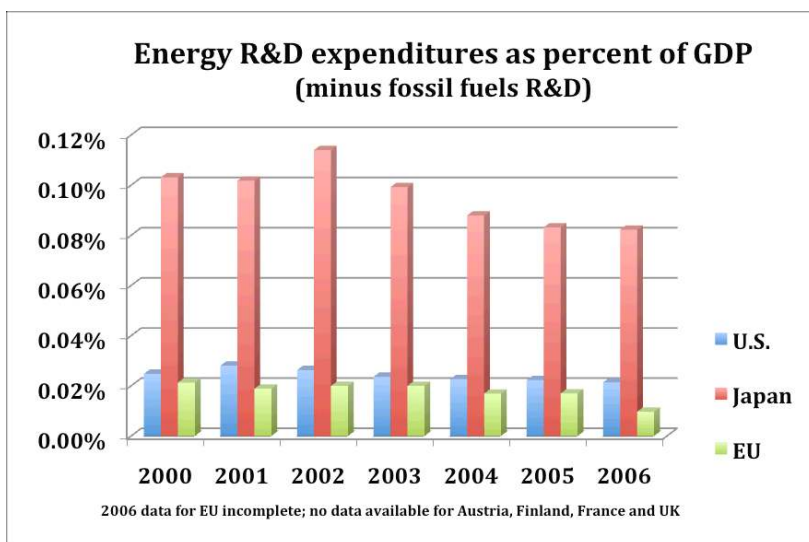
Why do we need bold, science-based climate and energy legislation in 2009?

- ✚ **It will create millions of jobs both now and in years to come:** Numerous non-partisan analyses suggest that bold, science-based clean energy legislation will create millions of new *green-collar jobs* – in manufacturing, construction, engineering, research, and more – through the building of wind farms, solar panels, and hybrid cars, and development and installation of energy-saving technology for our homes, businesses, and export markets abroad.
- ✚ A September 2008 joint study by the Center for American Progress and the University of Massachusetts-Amherst Political Economy Research Institute predicted a \$100 billion public investment program will create 2 million green jobs in 2 years alone. The study also found that a comprehensive bill will also create nearly four times more jobs than spending the same amount of money within the oil industry.

- ✚ **Either we lead the world in the transition to the new green economy or get left behind competitors like Japan and the European Union:** U.S.

expenditures in clean energy research and development are a fraction of other countries'. According to the non-partisan Pew Charitable Trusts, the U.S. energy research and development budget has hovered between 2% and 3% of U.S. GDP since 2000. Although this investment is a little higher than that of the European Union, it pales in comparison to other countries like Japan. The U.S. has spent less than 0.1% of GDP on renewable energy R&D, just one-quarter of what Japan spends.

Source: Forrest, 2008, Testimony before the House Select Committee on Energy Independence and Global Warming.



- ✚ **Tomorrow's global economy will be powered by green-collar jobs in clean energy industries and energy efficiency:** Both the public and private sectors throughout the globe will aim to realize the cost savings in improved energy efficiency and lower carbon footprints, and the consumer appeal of greener product lines. If America is to lead in the evolving global green economy, Congress will need to pass bold, science-based climate and energy legislation soon.
- ✚ **Our long-term national security depends on it:** Inaction will mean increased vulnerabilities to droughts, floods, and other natural disruptions to food and water supplies and living conditions in many volatile regions of the world. These disruptions could have grave consequences to U.S. national security. According to the non-partisan Center for Naval

Analysis, climate change “can act as a threat multiplier for instability in some of the most volatile regions of the world, and it presents significant national security challenges for the United States.” Bold congressional action will enhance national security as well as lead the way towards reducing America’s dangerous dependence on foreign oil.

Can we afford green energy legislation while in the middle of the economic crisis?

- ✚ **Inaction will cost much more and harm the economy:** Climate change left unchecked will bring far higher costs from future disruption, just like an unattended leaky roof on your home leads to more expensive structural repairs than if you had paid for a patch in the first place. Hurricane Katrina, droughts in the southeastern U.S. and wildfires in California are just a few examples of climate-related disruption and the damaging financial ripples we can expect to see more of if pollution isn’t reduced and temperatures continue rising.
- ✚ Weather-related losses globally in 2008 were over \$200 billion, the third-highest amount on record, with \$40 billion in losses from Hurricanes Ike and Gustav in the U.S. alone. If current trends continue, the total cost of climate change in the United States could be as high as 3.6 percent of GDP by 2100 (Tufts University, 2008). Sir Nicholas Stern, who analyzed the economics of climate change for the British Treasury, estimates that the cost of inaction would be the equivalent of between 5 and 20 percent of global GDP each year by next century.

Americans are counting on Congress to demonstrate leadership on clean energy

- ✚ According to an October 2008 poll commissioned by the non-partisan Pew Environmental Group, 81% of Americans believe global climate change is either happening now or will happen. The vast majority (86%) think it is important for the U.S. to take action now on tackling climate change. Even among those who believe global warming will not happen, a narrow majority want action (51% important, 46% not important). The survey had a margin of error of 2.5%.
- ✚ 71% of all voters on this survey also indicated that federal investments in renewable energy and energy efficiency will create millions of jobs. Significantly, even 64% of Republican voters agreed.



Preliminary Analysis of the Markey-Waxman Discussion Draft “American Clean Energy and Security Act of 2009”

The discussion draft of the [American Clean Energy and Security Act of 2009](#) introduced by Rep. Henry A. Waxman (CA-30) and Rep. Edward J. Markey (MA-7) released on March 31st is a key first step by Congress to usher America into a powerful clean energy economy that will create millions of jobs for American workers, save consumers and businesses hundreds of billions of dollars in energy costs, make our country energy independent, and limit global warming pollution. While the bill is very comprehensive, it can be even better through stronger commitment to reducing global warming emissions in the immediate future, ensuring that polluters – not taxpayers – pay for pollution, boldly moving beyond dirty coal energy, making certain that the green jobs created by the legislation are quality jobs with pathways leading to them for those who most need work, and laying out specifics on how consumers will be protected from rising energy costs.

The American Clean Energy and Security Act of 2009 would...

- Usher America into a powerful clean energy economy that will **create millions of green jobs for American workers** in clean energy industries.
- **Cut waste and save billions of dollars in energy costs** for consumers and businesses by increasing energy efficiency across the economy, including buildings, appliances, transportation, and industry. The enhanced Renewable Electricity Standard and Energy Efficiency Resource Standard alone will create 522,000 jobs and result in \$170 billion in savings for consumers and businesses.
- **Reduce our dangerous dependence on foreign oil** and make our country energy independent through the development and use of clean renewable energy.
- **Limit global warming pollution** and provide strong incentives for clean companies to prosper. The bill uses the same bi-partisan approach put in place to fight acid rain in 1990, supported by the first President Bush, after which electricity rates fell 10 percent and the U.S. economy added 16 million jobs.

While the bill is very comprehensive and is the first climate legislation to reach for science-based targets to tackle global warming, it can and should be made even better to:

- **Make a stronger commitment to boldly confront global warming in the near-term.** While the bill meets the Intergovernmental Panel on Climate Change (IPCC)'s long-term target of cutting global warming gas emissions by at least 80% by 2050, its near-term goal by 2020 is a 30% reduction, which could rely heavily on emission offsets that may be unreliable in reducing global warming pollution. The near-term 2020 emission target cuts should be at least 35% below current levels with strictly limited offsets to better meet the immediate threat of global warming to our economy and national security.
- **Protect taxpayers from paying for polluters' mess.** There should be 100% auctions of carbon emissions to guarantee that pollutions are paid for by the polluters, not taxpayers.
- **Move beyond dirty coal energy.** The bill relies on eventual pollution performance standards for new plants, but even with these carbon sequestration standards, coal will still be the dirtiest fuel on the planet. Since public funding for new plants with unproven CCS (“clean coal”) technology is not contingent on a high performance, the bill could funnel public money into large dirty energy projects. We will advocate for an immediate moratorium on new coal-burning plants that emit carbon pollution. Instead of funding new dirty coal plants, public funding should instead support clean renewable energy and efficiency projects that are already commercialized, proven, and affordable.
- **Provide opportunities and assistance to vulnerable communities.** The bill should ensure that we maximize the creation of good, green-collar jobs and provide educational and job training assistance and tools necessary to pave the pathways into them, especially for workers and communities in older industries that are highly reliant on carbon based energy. In addition to new job opportunities, Low- and middle-income households must receive rebates to compensate for increased energy costs. We must also assist vulnerable communities worldwide as they adapt to the changing climate and transition into a low-carbon economy.

The Major Climate Provisions of the “American Clean Energy and Security Act of 2009”

Key Items	The Discussion Draft’s Present Language	1Sky Goals
Targets & Offsets	<p>2020 Near-term Targets:</p> <ul style="list-style-type: none"> ✓ At least 30% below 2005 levels (19% below 1990 levels), 17% of which is from the cap and the rest from avoided deforestation abroad and standards outside the cap, and via offsets. <p>2050 Long-term Targets:</p> <ul style="list-style-type: none"> ✓ 83% below 2005 levels (80% below 1990 levels) within the cap alone. <p>Emission Offsets vs. Direct Funding of Emission Reductions</p> <ul style="list-style-type: none"> ✓ The bill allows very high levels of global warming emission offsets by polluters – 2 billion tons annually – which is around 27% of annual emissions in the U.S. What that means is that there could be no domestic global warming emissions reductions from fossil fuels for at least a decade. 	<p>Cut carbon emissions by at least 35% below 2005/current levels by 2020, equivalent to 25% below 1990 levels, in line with the IPCC, and by at least 80% by 2050. The bill’s present language meets the long-term target but should be strengthened to meet the much more important near-term target. 1Sky is also concerned with the bill’s very high levels of carbon offsets, and supports direct investments in emissions reductions rather than offsets that come in place of actually reducing fossil fuel consumption.</p>
Auctions	<p>The bill draft intentionally does not yet specify whether or not the carbon pollution emission permits will be auctioned. This uncertainty is not entirely discouraging, as it leaves room for it to become 100% auction to ensure that there is a price paid for pollution and that taxpayer monies are not used to clean up after polluters.</p>	<p>100% of the permits should be distributed via auction to ensure that there is a price paid for pollution, and that taxpayer monies are not used to clean up after polluters.</p>
Coal	<p>Relies on eventual performance standards for new plants.</p> <ul style="list-style-type: none"> ✓ Between 2009 and 2015, there is nothing in this current bill draft other than an economy-wide cap and a 2025 retrofit date to prevent dirty new coal plants from being built. ✓ After 2015, new coal plants must sequester at least 50% of their global warming pollution, and 60% after 2020. ✓ Since public funding for new plants with CCS (a.k.a. “clean coal”) technology is not contingent on a high CCS performance, the bill could end up funneling public money into large dirty energy projects. And more funding is distributed to better-performing large-scale plants, but there’s no guarantee that what public money is funding is actually better than existing forms of energy infrastructure. 	<p>Enact an immediate moratorium on new coal-burning plants that emit carbon pollution. Instead of funding new coal plants, public monies should support renewable energy and efficiency projects that are already commercialized, affordable, and create more jobs.</p>
Transition Investments, Domestically and Internationally	<ul style="list-style-type: none"> ✓ A section for domestic consumer assistance is included but currently lacks specifics. ✓ The bill must position the U.S. as a leader in the international climate negotiations coming up in December. For that to happen, it is critical that the bill allocate funds to help vulnerable communities adapt to climate change, protect tropical forests, and export clean energy technology worldwide. 	<p>The bill needs specifics on providing assistance for low and middle-income families with rising energy prices, as well as key funding streams necessary to make a global warming treaty a reality. We must also assist vulnerable communities in developing countries as they transition to low-carbon economies and adapt to the changing climate.</p>
Energy	<ul style="list-style-type: none"> ✓ Better appliance standards and building codes. ✓ Smart grid funding. ✓ Transportation standards and funding, including strengthened Low Carbon Fuel Standard (LCFS) funds for electric vehicles and auto industry retooling, and mandates for new transportation plans and funds for infrastructure projects in major metropolitan areas. ✓ National Renewable Energy Standard (RES), including 25% renewable by 2025 with up to 5% from efficiency upgrades. ✓ National Energy Efficiency Resource Standard (EERS), including 15% electricity savings by 2020 and 10% natural gas savings by 2020. 	<p>1Sky is strongly supportive of the enhanced energy efficiency standards.</p>