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June 17, 2009

Dear Members of Senate Energy and Natural Resources Committee:

On behalf of our millions of members and supporters we regrettably write to convey that we are unable to support the American Clean Energy Leadership Act of 2009 in its present form. While there are elements of the bill that are strong and others that can be improved upon, prior to or during floor consideration, several provisions would undermine the nation's efforts to advance clean energy solutions.

Now is the time for bold action on clean energy. From the big cities of the coasts to the industrial heartland to our rural communities, the slumping economy is taking its toll in shuttered businesses, disappearing jobs, bankruptcies, foreclosures, and an increased sense of anxiety about our collective future. To revive the American dream, we need to rebuild our economy on a sound foundation - one that ends our dependence on oil, puts people back to work, contributes to long-term prosperity, rebuilds our communities, and addresses global warming. The one path to achieve all of these goals is to take the lead on global warming by moving to a clean energy future. We stand ready to continue to work with the Committee and other Members to improve the legislation and put the nation on the path to a clean energy future.

We support the bill's appliance efficiency and building code provisions:

- The appliance and industrial efficiency provisions would also be an important step forward and help the nation achieve some of the most cost-effective reductions in energy use and global warming pollution. The bill also would enact specific efficiency standards on two products that are not currently regulated, and includes improvements to the Energy Star program that will result in more frequent updates, better oversight, and consideration of several other improvements.
- We applaud the national efficiency targets set for residential and commercial buildings. The building code provisions will help cut energy use in buildings significantly by providing targets for improvement and aiding state enforcement, as well as effective incentive programs to encourage retrofits of homes and commercial buildings. The building energy information program provides valuable tools to help consumers seeking to save money and energy in their homes and workplaces.

We urge you to strengthen the bill in several important areas:

- The Renewable Electricity Standard (RES) should be strengthened to ensure it drives a real and significant expansion of the market for renewable energy in this country. Specifically, we urge you to increase the amount of renewable energy generation that is needed to meet the standard, improve the biomass definition, remove exemptions for coal and nuclear energy, and close the Alternative

Compliance Payment loophole by requiring those funds to be used exclusively for the purpose of increasing the quantity of renewable energy. Further, incorporating an efficiency component into an RES is no substitute for a stand-alone Energy Efficiency Resource Standard.

- The electric transmission policy reforms should be tailored to advancing renewable energy development and include safeguards for sensitive lands, fish and wildlife populations and their habitat, and other natural and cultural resources. In particular, we support inclusion of a greenhouse gas performance standard to limit access to new electric transmission lines that are built under the new federal planning, cost allocation, and siting authority in this bill. We also support stronger upfront planning and siting requirements to avoid, minimize, and mitigate impacts to fish and wildlife populations and their habitat.
- The Renewable Energy and Public Lands title should be strengthened to ensure renewable energy is not sited on federal lands that are not suitable for energy development. Specifically, it should require science-based siting for all forms of renewable energy development to protect critical lands, resources, and to sustain fish and wildlife populations and their habitat. A portion of revenues generated from renewable energy development should also be directed toward conservation purposes, such as restoration or land acquisition.
- The 21st Century Energy Technology Deployment Act (CEDA) provisions of the bill would provide much needed federal financial support for energy efficiency and renewable energy projects. Such support would help jump-start a robust private sector financing market for these projects. The current CEDA provisions, however, pose substantial and unnecessary risks to the environment and taxpayers by reducing Congressional oversight and financial control under the Federal Credit Reform Act, allowing potentially unlimited "self-pay" loan guarantee authority for the most costly and least sustainable low-carbon technologies, and failing to ensure that the cleanest and most cost-effective technologies are prioritized for CEDA support. The bill should be modified to remove these risks.
- We encourage the Senate to adopt language on building codes which provides more resources and a stronger federal backstop to ensure that we meet the targets for efficient new buildings, and thus help the nation implement some of the most cost-effective clean energy solutions.

We strongly urge you to **exclude the following provisions from the final package prior to floor consideration:**

- The high-carbon fuels exemption for Canadian tar sands would take us backwards on global warming, and should be dropped from the bill. Section 526 of the Energy Security and Independence Act of 2007 currently prevents federal agencies from contracting for dirty fuels with higher global warming emissions than conventional fuels. The Senate energy bill would weaken Section 526 by allowing federal agencies to purchase dirtier high carbon fuels that are generally available. Lifting this ban would enable federal agencies to purchase dirty fuels derived from Canadian tar sands in certain circumstances, and would encourage refineries to expand their capacity to use tar sands. Thus, the amendment provides a significant exception to the government's obligation to avoid fuels that significantly exacerbate global warming.
- The 2006 bipartisan compromise agreement that prohibited drilling for oil and gas off the eastern coast of Florida until 2022 should not be overturned. Increased drilling will not lower prices at the

pump and with vast areas already leased and open to drilling, the United States does not need to put Florida's coastal economies and wildlife further at risk.

As the nation continues to overcome the economic crisis, it is more apparent than ever that we must move our country toward a new, clean energy economy. America is up to the challenge. We have the technology, the tools, and the know-how to use energy more wisely and to obtain our energy from clean, renewable sources. Clean energy will create new jobs, protect consumers from skyrocketing fossil fuel costs, and drive billions of dollars in capital investment into our economy-even as we solve the climate crisis and break our addiction to fossil fuels. What's more, clean energy can be produced right here at home, freeing us from foreign sources of energy and creating new jobs in all sectors of the nation's economy - including many jobs that can never be outsourced. Unfortunately, we cannot support the current bill at this time, but we look forward to working with the Senate to strengthen it as it moves through the legislative process.

Sincerely,

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