

October 29, 2008

E2 UPDATE

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CALENDAR

Will China Save the Planet?

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2019 (12:00 PM Eastern)

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President Signs Mercury Protection Bill

- Bans the export of the neurotoxin

U.S. Supreme Court Hears Navy Sonar Case

- Serious consideration in a milestone campaign for NRDC

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- Calls for greater wetlands and streams protection

Hispanic Heritage Event Highlights Climate

- La Onda Verde partners with OAS, Poder in Washington, DC

New York Movie Premiere Benefit

- "Body of Lies" brings out stars and supporters

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DEAR MR. PRESIDENT

November 5, 2008

Dear Mr. President Elect and Members of Congress Elect:

Congratulations to all of you on your elections yesterday.

Our country faces the immediate triple threats of a struggling economy, volatile energy prices and an environment that faces continued and increasing risks from global warming. **We do not have time to solve these threats serially.**

The best way for the United States to address the challenges of the economy, energy and the environment is to adopt an integrated program with strategies that will rebuild our economy by:

- creating new "green collar" jobs in every state;
- reducing the impacts of volatile energy prices by investing in efficiency;
- enabling long-term competition within the energy sector; and
- committing the U.S. to a rapid reduction in greenhouse gas emissions.



Our current economy was built on the assumption that there will be an unlimited supply of inexpensive energy. Recent events make clear that this assumption is not only false, it is dangerous. This year's energy price swings add to energy insecurity and make it hard to invest intelligently. The United States should use this current crisis as an opportunity to retool and lead the world in cost-effective energy services. Through specific investments we can provide high-quality jobs throughout the nation and can keep more "energy dollars" at home.

Learning from the Past

The current credit crisis illustrates two important points: (1) if a solution is not sustainable, it creates the appearance of temporary prosperity followed by a harmful, hard crash; and (2) the free market only works when good regulations exist to ensure transparency, accountability, broad participation and protection of the public interest.

We must learn from the recent economic stumble and prevent the next one. No longer can our government afford to be reactive; instead, we must ensure that our policy **actions anticipate events**. The reasons that the economy and the energy and environmental sectors are struggling are the same. For example, the financial crisis is partly a result of the risk of certain financial instruments having been ignored. Climate change arose by ignorance, and then disregard, of the effects of greenhouse gas emissions. Without regulations to ensure transparency, accountability, broad participation and protection of the public interest, markets cannot operate effectively.

The near monopoly role that fossil fuels play in our energy system is neither secure nor sustainable on a purely economic basis. But even if a dramatic increase in fossil fuel supply were possible, pumping its pollution into the atmosphere will cause economic harm and social dislocation due to climate change beyond any cost associated with forthrightly addressing the problem.

During the economic downturn of the 1930's, government funds were used to build infrastructure throughout the country. These projects were less expensive because they were built during a time of low labor costs and low material costs. They created valuable, permanent public facilities that are still in use today and, most importantly, they created immediate jobs.

The infrastructure we need today is **a new energy infrastructure** - specifically, incorporating today's smart technologies into our homes and public buildings so they are more energy efficient and generate some of their own energy. We need new transportation infrastructure to provide people with a range of safe, convenient transportation options that are powered by clean alternatives to petroleum. We should also revitalize the celebrated American talent for innovation by investing in research, development and commercial deployment of new, cleaner technologies. The United States is the leader in business entrepreneurship and we must take advantage of that.

The U.S. should have three priorities:

- Become the most energy-efficient country in the world and thus lower costs for every homeowner and every business.
- Become the global leader in all categories of renewable energy.
- Clean up industrial fossil fuel use by separating and sequestering the carbon dioxide so our future fossil fuel use will result in minimum global warming pollution.

Implementing these priorities will not only produce direct benefits at home, it will also reap enormous national security and economic benefits as our global technological leadership will assist other countries in reducing their energy dependence from unstable regimes.

Policies for the Next Administration

Presidential leadership can move a nation and ours is ready for leadership that will make us stronger for the long term. From the moment you make your inaugural speech you have the ability to both inspire us and set a clear direction. We call for the following administrative actions:

- **Building efficiency: Voluntary and permanent 10-percent reduction in home energy consumption** - You were questioned during the Presidential debates whether you would ask the American people to make any sacrifices to improve our country. Far from being a sacrifice, a program to help every home be 10 percent more efficient and use 10 percent less gasoline would have an immediate impact on lowering energy costs. Use your authority to accelerate improvements in outdated appliance efficiency standards. Guarantee full funding of the federal weatherization program to give homeowners real incentives to make their homes more efficient and create well-paying jobs. Recent [studies](#) indicate that a \$26 billion investment to retrofit government buildings, schools and hospitals will create thousands of jobs, and the savings realized

through efficiency measures will pay for the retrofits in just five years. Complement this action with a call to Congress to create a five-year program to **build a "green collar" workforce** that implements home efficiency improvements coupled with financial assistance for low-income communities.

- **Grant the "Clean Cars" waiver** - California and 15 other states, representing over 40 percent of the U.S. auto market, have established a standard to require passenger vehicles and SUVs to achieve significantly lower emissions and consequently offer Americans much more efficient vehicles. All that is standing in the way is a waiver by the EPA.
- **Adopt a national Low Carbon Fuel Standard (LCFS)** - Several states, with support from industry, are establishing standards for transportation fuels that gradually reduce their global warming pollution. This standard allows the market to innovate and create more efficient and/or carbon-capturing refineries, move more of the fleet to electricity and plug-in hybrids, and use second-generation low-carbon fuels made from non-food agriculture or biomass waste materials. We need to adopt a federal LCFS.
- **Use existing authority under the Clean Air Act to start regulating other major sources of global warming pollution.**
- **Work directly with the states** - The states have been active in energy and climate policies and currently provide much of the thought leadership and policy details. We need to both encourage them and make certain that the eventual transition to federal policies does not slow the states down but, rather, rewards them for taking early action and lets them continue their leadership.
- **Work with Congress** to both (1) create performance-based, technology-neutral incentives that promote the transition to an efficient, new energy economy, and (2) establish regulations that set performance-based reductions in pollution. The private sector has the capital and knowledge to make the U.S. the world leader in efficiency and clean energy if the country sets clear national objectives.

Policies for Congressional actions:

The last Congress made important progress when it improved the requirements for vehicle efficiency, renewed the tax package that encourages renewable energy and established incentives for advanced biofuels. However, it also encouraged the development of fossil fuels such as shale oil, which cause even higher levels of global warming pollution than petroleum, and it failed to implement any bold steps that would significantly change the energy infrastructure in the U.S.

We call on Congress to:

- **Create a bold plan for energy efficiency and "green collar" jobs** - Energy efficiency measures - including home weatherization, better building design, improved lighting and appliances - all save homeowners and businesses money, but there is no national program to accelerate their deployment. A five-year national effort to save 10 percent of energy consumption through improved standards, the training of a national "green collar" workforce and financial assistance for low-income households would both create jobs, lower energy costs by reducing demand and reduce our greenhouse gas emissions.
- **Establish a national renewable electricity standard** - A national renewable energy standard would further increase demand for clean electricity, some of which is already similar in cost to new fossil fuel and nuclear power. In addition, renewable electricity has no fuel costs, emits few or no greenhouse gas emissions, and creates more jobs per kilowatt than conventionally generated electricity. A national program could drive costs down to compete with new fossil fuels development. The program will need to include a plan to ensure the development of proper transmission resources.
- **Enable low carbon fossil fuels** - We need to make more efficient use of our fossil fuel resources and eliminate most of their greenhouse gas emissions. Accomplishing this requires (1) the ability to cost-effectively separate the greenhouse gas (CO₂) from the fuel, and (2) to permanently sequester the CO₂ underground in government-licensed repositories. To get the market for low carbon fossil fuels started, the federal government should provide financial incentives for capturing industrial CO₂ from fossil fuels in addition to the national cap on greenhouse gas pollution.

The purchase price for CO₂ would provide the funds needed for private industry to initially afford the employment of CO₂ separation technologies. This program can be applied to any source of CO₂, including coal-to-electricity, coal-to-natural gas, natural gas-to-electricity, CO₂ from refineries and other industrial sources, and CO₂ from

biomass.

- **Shift transportation funding** - We need to encourage the development of transportation systems that provide attractive alternatives to passenger vehicles and trucks. Mass transit and better-designed cities are more economical for residents, reduce demand for oil and reduce greenhouse gases. The re-authorization of the transportation bill (T4) in the new Congress should focus on funding for alternative transportation and reward states that decrease vehicle miles traveled.

The existing system of subsidies for specific types of alternative fuels should be replaced with a fuel-independent standard that rewards the fuels with the highest level of sustainability, scalability and greenhouse gas emission reductions.

- **Place a cap on greenhouse gas emissions** - The nation needs a declining cap on total greenhouse gases for three reasons. The first is environmental. The science clearly shows that a rapid reduction in greenhouse gas emissions is needed to prevent the dire effects of global warming. The second reason is economic. A cap on emissions can be accompanied by an auction on the right to emit greenhouse gases - providing both an economic incentive for companies to avoid emissions and a source of long-term funds that can be used to pay for climate and energy policies in a way that minimizes the negative economic effects on the poor. The third reason is to **ensure actions outpace events**. Our commitment to kicking our oil habit fluctuates with the price at the pump. A cap on emissions guarantees that we stay involved for the long term, since a cap can only be met by developing alternatives that don't emit greenhouse gases.

Actions Must Outpace Events

Catch-all policies that call for exploiting every conceivable energy option without distinction make no sense. If the CEO of a U.S. company said the strategy was to do everything, s/he would be fired, because **without setting priorities, you have no strategy**. An energy option is not viable if it does not concurrently improve our economic, environmental and national security interests. Our priorities should be to:

- create new "green collar" jobs in every state;
- reduce the impacts of volatile energy prices by investing in efficiency;
- enable long term competition within the energy sector; and
- commit the U.S. to a rapid reduction in greenhouse gas emissions.

U.S. policies must result in **actions that outpace events**. Retooling our economy now can prevent the looming energy and environmental crisis from occurring. An investment in dollars, brainpower and national commitment will result in an economic stimulus that renews the position of the U.S. as a world leader in technology solutions to address the triple threat of economic turmoil, energy insecurity and climate chaos.