

United States Senate

WASHINGTON, DC 20510-4504

March 26, 2010

The Honorable John Kerry
218 Russell Senate Office Building
Washington, DC 20510

Dear John:

Thank you for your continued leadership in crafting legislation, first with Senator Boxer and more recently with Senator Lieberman and Senator Graham, to address global warming. You have been a tireless advocate for taking action to reduce greenhouse gas emissions, and I respect and admire your efforts.

As you know I too believe that it is absolutely imperative that our nation and the international community address the growing crisis of global warming. When we do that we will be moving our country toward energy independence, reduced greenhouse gas emissions, and the creation over a period of years of millions of good-paying jobs in energy efficiency and sustainable energy.

As the only member in the Majority who sits on both the Energy and Natural Resources Committee, and the Environment and Public Works Committee (EPW), I know that the effort to craft legislation which will receive 60 votes and pass the United States Senate is difficult. However, I write to express deep disappointment with the direction of the current effort, based on the legislative outline you have shared recently. I have serious concerns about provisions that could harm our environment and provide new federal government support for polluters. Specifically, I have concerns with the following:

- **State Preemption** – We owe a debt of gratitude to Massachusetts, Vermont, California, and other leading states for taking early action to address global warming. States continue to innovate on clean energy policy, setting ever-more aggressive policies to reduce emissions, increase efficiency, and move to sustainable energy. Federal environmental policy has often set a floor and allowed states to continue to innovate. In my view, preempting leading states would be a huge mistake: we should definitely set a floor, but not a ceiling.
- **Support For New Nuclear Power** – We should not, in the name of addressing global warming, provide even more government loan guarantees and subsidies for new nuclear power, which is actually the most costly form of new energy. Independent estimates are that new nuclear plants will produce energy at 25-30 cents per kilowatt hour, even with Price-Anderson and all of the other government subsidies taken into account. The last round of nuclear plant construction in this

country left taxpayers and ratepayers paying the bill for \$240 billion (in today's dollars) in stranded costs for plants that were not completed and in cost overruns at plants that were. If the private sector will not finance new nuclear plants, the government should not risk taxpayer dollars by stepping in. Further, at a time when we still do not know how to get rid of the toxic waste produced by nuclear plants, it is absurd to be adding new plants that will generate even more waste.

- **Offshore Drilling** – Given that the United States consumes roughly 25 percent of global output, but we have only 3 percent of world petroleum reserves, new drilling is not a realistic way to meet our nation's energy needs and achieve energy independence. Offshore drilling also heightens the risk of oil spills polluting our oceans, and even with the latest technology spills continue to occur. We should not, in a global warming bill, support increased offshore drilling.
- **Coal Plant Emissions** – I understand the need to examine whether pollution reduction technology for coal, known as carbon capture and sequestration, holds promise for reducing power plant emissions. However, I do not want to see a global warming bill become a bonanza for the coal industry. In particular, under current law, the Environmental Protection Agency has the legal authority to require coal plants to reduce emissions using the best available technology. Global warming legislation should move us forward by requiring coal plants to meet increasingly stringent pollution standards. It should not take us backwards by exempting coal plants from this type of regulation by grandfathering in the dirtiest plants so that they can continue to operate for years to come.

I am also disappointed that in the current proposal there is nowhere near the emphasis we need for energy efficiency and sustainable energy. I would urge your consideration of provisions that would strengthen the bill and move our nation to a more sustainable energy future.

- **Retain Investments in Sustainable Energy and Energy Efficiency** – As a basic principle, any global warming legislation should invest more in energy efficiency and sustainable energy than it does in nuclear and fossil fuel technology. The Kerry/Boxer bill (S.1733) that passed out of the EPW Committee made such crucial investments by allocating emission permits to provide long-term funding for utility-scale renewable energy projects, the Energy Efficiency and Conservation Block Grant Program for local efficiency projects, state efficiency and renewable energy projects, and many other important programs. I urge you to retain the efficiency and sustainable energy investments included in S. 1733 as passed out of the EPW Committee.
- **Add New Sustainable Energy Investments** – Most experts agree that there is enormous potential in this country for sustainable energy, including solar. California and New Jersey and other leading states are proving this, by increasingly their solar installations at dramatic rates through successful consumer incentive programs. My hope is that over the next decade, with the right incentives, we will see ten million homes and businesses with solar. Experts also

see huge potential for other sustainable technologies, such as combined heat and power and district energy projects that save energy and reduce emissions. I encourage you to incorporate targeted incentives for these types of sustainable energy investments, which could create millions of jobs.

- **Set A Strong Sustainable Energy Standard** – The Energy Committee has reported the *American Clean Energy Leadership Act* (S. 1462), which includes a renewable energy standard of 15 percent by 2021. This standard is too weak and has already been surpassed by a number of states across the country. According to analysis by the Union of Concerned Scientists and the renewable energy industry, in order to attract the manufacturing investments and produce the millions of new jobs we all want to see, the standard should be at least 25 percent by 2025, as President Obama has called for. That is why I urge you to work with Chairman Bingaman and members of the Energy Committee to strengthen the renewable energy standard. This standard should only include truly renewable resources, such as solar, wind, geothermal, ocean and tidal energy, and biomass.
- **Ramp Up Energy Efficiency** – Vermont is perhaps the leading state in energy efficiency, having decreased our electricity consumption for several years due to energy efficiency measures that are cost-effective and reduce our dependence on carbon-based fuels. In fact, in Vermont we save millions for consumers every year with efficiency programs funded by utility ratepayers. The EPW-passed S. 1733 provided significant consumer rebates through utilities to help consumers keep costs low. While unique circumstances prevented members of EPW from offering amendments to that bill, there was strong support for including a requirement that electric utilities invest a portion of the consumer protection funds in cost-effective energy efficiency measures. This would provide consumers with direct energy savings, reduce the need to build expensive new power plants and transmission lines to meet overall and peak demand, and create local jobs as we retrofit homes and buildings. This is a classic win-win-win situation, and I urge you to consider including such a requirement in your legislation.
- **Provide Green Jobs Training** – S. 1733, as passed out of EPW, provided long-term funding for the Green Jobs Act, which offers a number of innovative worker training programs in the renewable energy and energy efficiency industries. I urge you to retain that investment in your bill so that we can train workers for the jobs global warming and clean energy legislation will help to create.

I appreciate your attention to the concerns I have outlined and the ideas I have put forward to strengthen your global warming legislation. I stand ready to work with you to improve the legislation, and thank you again for your leadership.

Sincerely,


BERNARD SANDERS

United States Senator