



June 23, 2009

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232 US Capitol
Washington, DC 20515

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
H-204 US Capitol
Washington, DC 20515

Dear Speaker Pelosi and Congressman Boehner:

The Business Council for Sustainable Energy—a broad-based coalition of leading companies and trade associations from clean energy industries—encourages House passage of H.R. 2454, the American Clean Energy and Security Act of 2009 (ACES). The legislation provides vital market signals that will usher in a new, clean energy economy and create thousands of high-quality jobs.

The Council includes businesses and trade associations representing the suite of currently available technology options, such as advanced batteries, biomass, fuel cells, geothermal, hydropower (including conventional and new waterpower resources such as ocean, tidal and instream hydrokinetic) solar, wind, natural gas and supply-side and demand-side energy efficiency. According to studies by McKinsey & Company, existing clean energy technologies can make significant reductions in greenhouse gas emissions, many of them with net economic benefits.

The Council has long supported enactment of comprehensive and market-based climate change and energy legislation that should include:

- Allowance value, in the form of allowance allocations and/or auction proceeds, directed to reduce consumer costs and to spur clean energy and energy efficiency investments – *especially in the early years of implementation when these technologies represent the primary emission reduction options and offer great opportunity to reduce costs;*
- The adoption of a package of complementary energy policies to enable rapid market expansion, such as the Renewable Electricity Standard, national targets and incentives for energy efficiency, and clean energy tax measures;
- A robust, high-quality offset program to drive new technology investments and contain costs; and
- Recognition and credit for early action taken by businesses and other entities to reduce emissions.

ACES makes strides to incorporate this approach in several key areas, such as: the State Energy and Environment Development (SEED) accounts to support state renewable energy and efficiency programs; new and better defined provisions for energy efficiency, such as the Retrofit for Energy and Environmental Performance program (REEP); establishment of a national Renewable Electricity Standard; and recognition of the valuable role that high quality domestic and international offsets can play in helping to meet emission reduction targets and containing costs.

While further improvements should be considered to the legislation over time and the Council and its individual members may seek improvements before final enactment, we believe the carefully crafted legislation seizes upon a historic opportunity to transform our economy and create lasting industries, with well-paying domestic jobs.

We look forward to working with Congress to improve H.R. 2454 where possible. Several areas for improvement include:

- Strengthening the Renewable Electricity and Energy Efficiency Standards – with stronger near-term renewable energy and energy efficiency targets that protect current jobs and create new jobs

- Allocating allowances to spur private capital flows as well as ensure consumer benefit through expanding support for energy efficiency and renewable energy, preferably with allowances going directly to renewable generators, consumers and clean energy project investors
- Expanding offset opportunities by removing discounting of international offsets and providing clarity on international offset eligibility
- Ensuring flexibility through market-mechanisms and financial instruments to allow businesses to manage risks and protect consumers

With its broad business representation, the Council looks forward to working with Congress to improve and enact the American Clean Energy and Security Act.

Sincerely,



Lisa Jacobson
President

CC: Members of the House of Representatives