



June 1, 2010

The Honorable Maria Cantwell
SD-511
Washington, DC 20510

The Honorable Susan Collins
SD-413
Washington, DC 20510

Dear Senators Cantwell and Collins:

I am writing on behalf of the Business Council for Sustainable Energy to thank you both for your strong bipartisan support of congressional action on comprehensive energy and climate change legislation. Most recently, I appreciated Senator Cantwell's comments at the May 5 Democratic Steering and Outreach Committee meeting about the need to support a legislative vehicle that can be enacted by Congress this year. The Council strongly supports that view and believes that congressional action on comprehensive energy and climate change legislation is critically needed this year to provide a signal to the market for sustained economic growth in existing clean energy industries and to create jobs.

S. 2877, the Carbon Limits and Energy for America's Renewal (CLEAR) Act, is an important and bipartisan piece of legislation that could be incorporated into comprehensive energy and climate change legislation and the Council believes the ideas and concepts in the CLEAR Act are valuable to advancing Senate action on energy and climate change legislation. For that reason, I wanted to take this opportunity to share with you some of our members' feedback from recent events related to the CLEAR Act, including meetings that Council members have had with your staff, as well as the Bipartisan Policy Center panel discussion on the CLEAR Act that I was able to participate in recently with both of you.

As you know, the Council is an industry coalition that includes companies and trade associations representing currently available clean energy technologies. The Council supports immediate enactment of comprehensive federal energy and climate change legislation with a framework that provides predictable and market-based approaches to address climate change that expand the use of readily available clean energy technologies -- such as supply-side and demand-side energy efficiency, a broad portfolio of renewable energy sources and natural gas.

As a diverse coalition of business leaders, Council members have a range of views on the CLEAR Act. The legislation contains a number of attractive features and answers some important questions that have been raised by other legislative vehicles in previous debates; there remain, however, a few areas for further discussion. We would be happy to further discuss the Council's views on the following:

- One of the greatest strengths of the CLEAR Act is its simplicity. It is simple and concise and is consequently easier to understand and to explain to the public when compared to other legislative proposals.
- The legislation would also send a clear price signal that would enable consumers and business to plan and respond through measures to reduce their greenhouse gas emissions and to invest in existing clean energy technologies.
- The legislation also provides the opportunity to establish meaningful oversight protections for the market and includes a strong focus on consumer impacts.

Given these important strengths, however, there remain a few areas in the legislation for further discussion. For example, some of our members have raised questions related to costs (including the ability for consumers to directly manage the cost of electricity and the cost of natural gas); Questions on how the legislation could be modified to ensure a predictable stream of funding for existing clean energy and energy efficiency deployment; as well as questions about modifications to the legislation that would allow flexibility to refund some of the costs back to consumers in the form of energy efficiency, renewable energy, and other clean energy programs and investment.

For example, Council members are very interested in the potential of the Energy Efficiency Consumer Loan Program and would like to work with you to ensure that the fully fleshed out program can reach its maximum efficiency potential. In addition, we would like to work with you to ensure that load distribution companies (LDCs) can be utilized in achieving the CLEAR Act's goals. Many LDCs are investing in renewable energy and energy efficiency programs critical to lowering greenhouse gas emissions and these investments should be leveraged and expanded through national legislation.

The Council would also like to see the consideration of compliance flexibility in the form of emissions trading, which the Council believes can be a vehicle to ensure lower-cost emission reductions, encourage over-performance with emission reduction targets, and can foster innovation.

In addition, and importantly, Council members would like to see a project-based emission reduction program (offsets) that would send longer-term signals to invest and to encourage innovation. The CLEAR Act enables direct funding for projects under the Clean Energy Reinvestment Trust Fund (CERT), but CERT is subject to the annual appropriations process, which could result in less certainty and predictability in project funding. BCSE members would like to discuss this issue further and see how offsets can be incorporated into the legislation and how the CERT can be structured to be an effective financing vehicle for clean energy projects.

Comprehensive energy and climate change legislation, which would also include a broad range of energy policy issues, is important. This could start with S.1462, the American Clean Energy Leadership Act (ACELA), but strengthened to ensure that the United States can realize the full potential of existing clean energy and energy efficiency technologies.

We sincerely appreciate the time that you and your staff have spent with us to review your legislation and we look forward to further discussion to address issues and concerns that are important to our coalition of clean energy and energy efficiency industry interests; we pledge our commitment to work with you to move the legislative process forward. If you have any additional questions or comments about the Council's views on the CLEAR Act, please feel free to contact me in the Council's offices.

Sincerely,



Lisa Jacobson, President

About the Business Council for Sustainable Energy

The Business Council for Sustainable Energy is an industry coalition that includes businesses and trade associations representing a suite of currently available technology options for strengthening domestic energy security while also reducing emissions of greenhouse gases that contribute to global climate change. These technologies include: advanced batteries, biomass, biogas, fuel cells, geothermal, hydropower (including conventional and new waterpower resources such as ocean, tidal and in stream hydrokinetic), solar (including solar energy equipment such as solar hot water heating and solar light pipe technology), wind, natural gas, and supply-side and demand-side energy efficiency.

For more information about the Council, please visit us on the web at www.bcse.org