



September 11, 2008

The Honorable Jeff Bingaman
Chairman
Senate Energy and Natural Resources Committee
304 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Pete Domenici
Ranking Member
Senate Energy and Natural Resources Committee
304 Dirksen Senate Office Building
Washington, DC 20510

Dear Senators Bingaman and Domenici:

As the Senate Energy Committee convenes its Energy Summit, and as the Senate considers energy legislation in the coming weeks, the Business Council for Sustainable Energy urges immediate adoption of policies that will rapidly increase the use of clean energy technologies to meet our country's energy, national security and environmental challenges. **These include renewable energy and energy efficiency tax incentives, improved building energy codes and standards, responsible natural gas development and other measures that will drive immediate and sustained deployment signals.**

It is critical that Congress show leadership on energy policy and we commend Congress for its continued focus on federal energy legislation. There are two fundamental objectives that must be kept in mind as we approach this debate: addressing energy costs and reliability, and making investments in the short-term that will facilitate reductions in greenhouse gas emissions.

Clearly, the challenges of energy security and climate change will require the nation to employ a wide array of technologies, but the clean energy options of energy efficiency, renewable energy and natural gas are uniquely positioned to play a critical role in both aspects of this debate, especially in the next decade.

As Congress focuses on near-term energy policy questions, we urge consideration of the real-world impact of policy debates that will alter future energy market structures. The fact that Congress has begun to discuss an eventual carbon-constrained economy will significantly affect capital investment. We have already witnessed a significant retrenchment in planned investment in coal-fired power plants and any expansion of nuclear energy will take several years to permit and construct. Yet the Department of Energy's Energy Information Administration forecasts continuing demand growth. We need to be sure that the policy path for this country meets this demand growth reliably, efficiently, and responsibly. **We feel that renewable energy and energy efficiency are well positioned to play a critical role in meeting the anticipated demand growth, especially in this interim period of transition to the post-climate change market and regulatory structures.**

There is an imperative to act now on policies that will increase energy independence and reliability, while fostering U.S. economic growth and a cleaner environment. We urge enactment of long-term policies and incentives, sufficient to allow for aggressive scale-up of both manufacturing and deployment, including:

- Tax/or comparable clean energy technology incentives – Production Tax Credit, Investment Tax Credit, Clean Renewable Energy Bonds, Energy Efficiency Tax Credits
- Energy efficiency savings programs in the form of codes, standards and incentives to promote carbon-efficient buildings and appliances and combined heat and power (CHP) -- with the objective of improving energy savings of homes and buildings by 30 percent by 2010 and 50 percent by 2020
- Renewable Electricity Standard (RES)
- Energy Efficiency Resource Standard (EERS)
- Access to additional domestic natural gas resources
- Research and development for deployment of emerging technologies

These proposals should result in a balanced, competitively neutral, and integrated national program providing accurate, cost-based price signals that will:

- promote efficient use of energy and reduce energy demand during peak periods;
- avoid programs that would encourage inefficient use or production of energy; and
- encourage additional generation with the right size, location and operating times to have real, positive impacts on the grid, lowering customer cost.

Adoption of these incentives will help lower or mitigate price increases, promote economic development and attain energy independence. A summary of the Council's *Clean Energy Technology Deployment Path* proposal is attached for your reference, which outlines our industries' federal energy policy recommendations. We appreciate the opportunity to provide our views and please do not hesitate to contact me with any questions or comments on our proposals.

Sincerely,



Lisa Jacobson
Executive Director

Attachment:

BCSE Clean Energy Technology Deployment Path, Executive Summary

The Business Council for Sustainable Energy is a broad-based business organization representing the energy efficiency, renewable energy and natural gas industries. The Council is comprised of over 50 members, including clean energy companies, utilities, retailers, energy end-users and trade associations. Council members represent industry solutions such as advanced batteries, biomass, biogas, combined heat and power, fuel cells, geothermal power, hydropower (including new waterpower resources such as ocean, tidal and in-stream hydrokinetic), recycled energy, solar power, wind energy, and supply-side and demand-side energy efficiency. Please see www.bcse.org for more information.