

United States Senate

WASHINGTON, DC 20510-3004

October 2, 2007

Senator Joseph I. Lieberman
Chairman
Subcommittee on Private Sector and Consumer
Solutions to Global Warming and Wildlife
Protection
Environment and Public Works Committee
410 Dirksen Senate Office Building
Washington, D.C. 20510

Senator John Warner
Ranking Minority Member
Subcommittee on Private Sector and Consumer
Solutions to Global Warming and Wildlife
Protection
Environment and Public Works Committee
456 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senators Lieberman and Warner:

We write today to congratulate you on your leadership in addressing global warming. The outline of proposed legislation that you distributed last month is an important start and your efforts to forge a bipartisan bill and attempt to pass a meaningful climate change bill this Congress deserves praise and recognition.

As you move from the outline to a specific legislative proposal, we urge you to craft a strong global warming bill that will reduce our country's emissions enough to avert catastrophic climate change. We also urge you to draft a bill that will help us transform our economy to one that relies primarily on the efficient use of renewable energy, thereby reducing our dependence on oil, improving national security, and re-energizing the economy.

It is essential that we listen to what our scientists are telling us and limit our greenhouse gas emissions to a level that will avoid the most dangerous effects of global warming. The emerging scientific consensus is that the United States must reduce total current U.S. emissions by 80% by 2050, with rigorous interim targets, in order to meet this goal. The outline of your proposal, however, falls short of these targets. As you turn your outline into legislative language, we strongly urge you to require that the bill include specific and aggressive interim targets and reduce total U.S. emissions by 80% by 2050 in order to enable us to protect future generations from catastrophic consequences.

We also want to emphasize that any proposed solution to climate change should avoid provisions that would jeopardize the integrity of its emission limits. In that regard we want to commend you strongly for your decision to not include a so-called "safety valve," which would discourage investment in carbon reduction technologies and allow emitters to simply purchase additional permits to continue emitting greenhouse gases. We hope you will continue to oppose the inclusion of such a provision in this or any other global warming legislation.

It is also important that climate change legislation focus on encouraging greater energy efficiency and fostering the growth of renewable energy. We need a balanced approach that recognizes the need to make traditional power generation more climate friendly, while also fostering our transition to an economy based on renewables. Under the current version of your proposal, when the program begins in 2012, over half of the highly valuable emission allowances

are given away at no cost, with traditional fossil fuel-based industries and fossil fuel electricity generators being given the lion's share. Free allocations of this magnitude based on historical emissions could result in significantly increased profits for recipients without providing a corresponding benefit in terms of either lower cost to consumers or in the deployment of appropriate technologies to reduce emissions of greenhouse gases.

We believe that more emphasis should be placed on promoting energy efficiency and renewable energy. Energy efficiency is the cheapest way available to reduce emissions because the energy we save is energy we do not have to generate. Providing additional funds from your proposal's Climate Change Credit Corporation to programs that have a proven track record of delivering cost-effective energy efficiency improvements will go a long way toward reducing emissions in a way that actually saves money in the long run.

Your bill provides an important opportunity for us to stimulate and encourage energy efficiency that should not be missed. Similarly, we think renewable energy should have a prominent place in a climate change bill. The Energy Information Administration (EIA) has estimated that the United States has the potential to produce 500% of its electricity needs through renewable sources. Excluding large hydroelectric projects, we only generate 2% of our electricity from renewable sources. Meanwhile, Germany, which has more aggressive policies, currently produces over 12% of its electricity from renewable sources. We, too, can achieve these successes if we are willing to take some of the considerable resources generated by the auction process and devote them to further research and incentives for renewable energy.

When turning the outlined proposal into bill text, we hope you take into consideration our concerns and make the bill aggressive enough to steer us clear of the worst consequences of climate change. We urge you to continue to oppose loopholes that would undermine this objective, such as a safety valve or similar concepts. We also ask that you make the bill more balanced by devoting a larger share of the allowance value to public purposes, including support for energy efficiency and renewables.

Thank you for your able leadership on climate change, and we look forward to working together in a bipartisan manner to reach our mutual goals.

Sincerely,



ROBERT MENENDEZ
United States Senator



JOHN KERRY
United States Senator



JACK REED
United States Senator



RUSS FEINGOLD
United States Senator



CHRIS DODD
United States Senator



DICK DURBIN
United States Senator

cc: Senator Barbara Boxer
Chairwoman
Environment and Public Works Committee
410 Dirksen Senate Office Building
Washington, D.C. 20510

Senator James Inhofe
Ranking Member
Environment and Public Works Committee
456 Dirksen Senate Office Building
Washington, D.C. 20510