



Interfaith Power & Light

A religious response to global warming

The Clean Energy Jobs and American Power Act *Interfaith Power and Light Priorities*

With the introduction of the Clean Energy Jobs and American Power Act, by Senators Kerry and Boxer, the U.S. is poised for a big step forward in stabilizing the climate and transitioning to a clean energy economy.

Kerry-Boxer is similar to HR 2454, the American Clean Energy and Security Act, which passed the House of Representatives on June 26th. However, it is less comprehensive in that it does not (yet) include allocations of emissions credits or a Renewable Energy and Energy Efficiency Standard. It does include a framework for distribution of carbon credits and a carbon market. It also contains some important strengthened provisions, which are outlined below.

Interfaith Power and Light (IPL) strongly supports Senate action on climate this year, and advocates for a bill that will reduce emissions to levels consistent with scientific recommendations, while facilitating a rapid transition to clean energy future. Effective climate legislation must also be equitable and just, providing access for all to the new clean energy economy, and protecting vulnerable people and communities from the unavoidable impacts of global warming.

Below are IPL's major priorities for Senate climate legislation.

- ***Maintain Strong Emission Targets and Periodic Scientific Review***

In order to meet the international community goal of avoiding 3.6 degrees Fahrenheit of warming, and the potentially catastrophic climate impacts that would come with that, the new emissions targets in the bill need to be maintained or strengthened. We can and must achieve at least a 20 percent reduction in emissions by 2020. The most recent Department of Energy forecast for U.S. emissions in the absence of climate legislation, is that emissions of energy-related carbon dioxide in 2020 will be one percent lower than 2005 levels, in sharp contrast to the 17 percent increase given business-as-usual scenario of just two years ago. Therefore, achieving a 20 percent reduction by 2020 should be far easier than anticipated.

The bill creates a process for future strengthened targets with a provision that requires the Environmental Protection Agency (EPA) and the National Academy of Sciences (NAS) to review technological advancements and make recommendations to the administration. NAS would also be charged with conducting a science review if the EPA does not. In response to the NAS recommendations, the EPA and other agencies would be required to adjust certain aspects

of the policy. If the latest science indicates that we must accelerate or deepen reductions, the president is required to propose legislative changes for Congress to consider.

Additional emissions reductions can be achieved affordably through provisions to help developing nations protect tropical forests, which are included in both Kerry-Boxer and the House bill. Approximately 20% of global emissions come from deforestation, which constitutes the major source of developing world emissions. IPL strongly supports these provisions to preserve forests while also protecting communities and biodiversity.

- ***Include a Strong Energy Efficiency Standard***

Energy efficiency is the cheapest, fastest and cleanest way to reduce emissions. IPL supports a federal Energy Efficiency Resource Standard (EERS) to reduce cumulative electricity usage by at least 15% and cumulative natural gas usage by at least 10% by 2020. Energy efficiency is also good for the economy – creating jobs while providing a multiplier effect by saving money on household electricity bills. Compared to the cost and timeline to build a new nuclear plant – approximately \$15 billion and ten years – energy efficiency is the clear winner.

- ***Preserve EPA Oversight over Coal Plants***

Kerry-Boxer retains EPA authority over issuing permits to coal-fired power plants and other major emitters. The bill also includes performance standards for new coal plants. By retaining EPA regulatory authority, the oldest and dirtiest coal plants will not be exempt from cleaning up their act when upgrades or expansions are made to their facilities.

The Clean Air Act gives the EPA authority to require pollution controls at other large industrial polluters, and to set fuel economy standards. This authority must be retained for this policy to be successful.

- ***Auction pollution allowances to create a stream of revenue for public purpose programs***

Distribution of carbon credits or “allowances” is a critical component of climate legislation that Kerry-Boxer has not yet addressed. IPL believes that revenue generated from the sale of these allowances must be earmarked to public purposes. The best and fairest way to distribute allowances is an auction, which will create a stream of revenue to address important goals, such as clean jobs development, and assistance to vulnerable countries and communities. In the House bill, too many allowances are given away for free to polluting industry, reducing available funds to support an equitable transition to a clean energy economy.

With additional revenue from auctioned allowances, additional funding for important programs would be available, specifically:

More Funding for International Adaptation

The U.S. has an important role to play in forging a consensus for a global agreement on climate. Requisite for that is committing our fair share, as the wealthiest country in the world and the one

responsible for the largest share of global warming pollution, to developing countries which are least able to adapt to a changing climate. Already, poor nations are bearing the majority of the costs of climate-related disasters. A recent study by the World Bank projects that it will take \$75 billion a year to help vulnerable communities adapt to the impacts of climate change that we cannot reverse or prevent. The U.S. must take a leadership role in gaining international assistance for poor nations by committing to a significant portion of the aid so desperately needed.

In addition to adaptation and mitigation support, the global community, led by the U.S., must provide clean technology assistance to developing nations. These countries can in many cases leapfrog over polluting technologies and power their development with clean energy.

Level the Playing Field for Nonprofits to Participate in the Clean Energy Economy

Nonprofits (such as congregations) are ineligible for tax credits or other tax-related benefits available to businesses and individuals. Therefore, to level the playing field, incentives for nonprofits to do energy efficiency retrofits and renewable energy installations are needed. The House bill addresses this by allowing for subsidies of up to one-half the cost of retrofitting nonprofits; we support this provision and urge the Senate bill to increase the subsidy for small budget (\$250,000 and under) nonprofits.

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