

December 24, 2008

Dear Senator:

The United States faces an urgent need to transform our economy, make the country more energy secure, and take meaningful action to slow, stop and reverse emissions of greenhouse gases. We believe that a financial stimulus package currently being discussed by President-Elect Obama and the U.S. Congress is urgently needed and can offer a critical boost to restoring the financial health of our economy while also addressing our need for climate protection. A well crafted stimulus package can simultaneously advance President-Elect Obama's stated climate and economic goals for our nation.

We cannot overstate the importance, however, of choosing the *right* investments: those that are fast, fair and that build future value.

Our economy needs a package that sets the nation on a new course *immediately* to deliver economic and climate results, provide benefits to all, and prepare us for the next generation of technological competitiveness. As members of USCAP, we recommend prompt action on policies to:

- (1) promote energy efficiency in buildings and homes,
- (2) modernize the nation's electric grid, making it "smarter" and allowing it to facilitate new, more efficient technologies and renewable energy,
- (3) stimulate a variety of low-carbon sources of electricity including extending the production tax credit for renewable energy,
- (4) demonstrate and deploy carbon capture and storage for coal-fired power plants and other large stationary sources,
- (5) encourage greater use of less carbon-intensive forms of transportation and fuel,
- and
- (6) improve the efficiency of our transportation system.

It is possible to move fast and make investments in energy efficiency that can immediately put people to work on transit projects and existing building retrofits. These include weatherization, insulation, HVAC upgrades, and use of waste heat in industrial processes and facilities.

By jumpstarting our economy in a way that is *fair*, we can ensure that all Americans benefit from this transformative effort. Critical efficiency programs, especially for residential buildings, will lower energy bills and allow families to keep more money in their pockets – which is essential in a time of economic uncertainty. Rural and urban homes and businesses alike can take advantage of renewable technologies such as solar photovoltaic systems, hot

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water heaters or small wind turbines, and communities can benefit from development of local renewable energy resources. And smart infrastructure like broadband and green transit options can revitalize our communities and improve the quality of our lives by decreasing pollution and congestion and creating new livelihoods.

Equally important, we need to ensure that our investments build *future value*. If the United States is to achieve real, substantial, and lasting reductions in GHG emissions while growing the economy we must commit to developing and deploying a wide range of new and improved technologies. This includes fully funding programs to support “smart grid” development and plug-in electric vehicles fueled by wind and other low carbon and renewable energy sources. The United States should lead this technological innovation and create a significant competitive advantage in tomorrow’s markets.

A stimulus package should also address the thousands of green projects that may be imperiled as access to credit tightens and energy prices decline. We must create a strong, long term price signal for clean technology in the form of a carbon market. Whether a cap-and-trade bill is alongside a stimulus package or shortly afterward, it is a critical piece of our shift to a low-carbon technological trajectory. This new ‘carbon market’ will support investments in clean energy and energy efficiency, reduce inefficient energy use, and establish America as the leading manufacturer of the technologies of tomorrow.

Investments in energy efficiency now decrease consumer and business energy costs, making our economy more competitive and energy independent while freeing up capital to spur new economic growth. The market will also jump start American innovation to create and increase our security by reducing our dependence on volatile foreign fossil fuels.

Only by connecting the dots between economic, energy, security, technology innovation and climate policy can we succeed in building competitive markets and training the workforce of the future. These critical investments must begin today.

Sincerely,

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