

Southern Alliance for Clean Energy Statement on the American Clean Energy and Security Act of 2009

Knoxville, Tenn. May 20, 2009 – As the House Energy and Commerce Committee begins consideration of the American Clean Energy and Security Act (H.R. 2454), Southern Alliance for Clean Energy's executive director Stephen Smith issued the following statement:

"We commend Chairmen Waxman and Markey for bringing forward the first comprehensive energy and climate bill ever to be considered by the U.S. House of Representatives. The American Clean Energy and Security Act lays out an urgently needed framework for bringing change to the American economy.

"Although we applaud the framework and its proposed limits on U.S. global warming pollution, we are troubled that the bill leaves too many energy policies unchanged and is not consistent with building a new energy economy.

"In particular, this bill gives utilities hundreds of billions of dollars in pollution permits, enabling them to continue operating highly-polluting power plants while further enhancing their earnings with these windfall profits. In contrast, low and moderate-income families would receive significantly less funding to assist them in coping with rising energy costs. A bill that aids corporations over families has misplaced priorities.

"The Southern Alliance for Clean Energy has joined with hundreds of prominent economists from across the country, including Office of Management and Budget director Dr. Peter Orzag, who agree that auctioning the pollution permits will offer the best means of ensuring we have the resources necessary to protect families and small businesses from higher energy prices and enabling us to invest in clean energy development.

"We are disappointed that the proposed renewable energy standard may require little more renewable energy development than is projected to occur from policies already in place. Many utilities continue to overlook the Southeast's abundant biomass, solar, wind and hydro-energy potential, an attitude that likely to remain unchanged with the proposed standard and its expanded exemptions.

"Finally, language in the bill may actually discourage gains in energy efficiency by setting the Alternative Compliance Payment rate lower than the cost of otherwise cost-effective energy efficiency measures. Utilities in the Southeast have demonstrated a strong preference for building new generation, thus passing over opportunities to control energy waste that drives up energy costs. Without a policy structure that encourages or requires efficiency investments, consumers in many Southern states will continue to suffer from a lack of energy efficiency, the most effective cost-control energy policy tool.

"We are concerned this bill will weaken even more as it continues to move through Congress, becoming a clean energy bill in name only. We hope that members of Congress will strengthen this bill to pass comprehensive clean energy and climate legislation that revives our economy, creates green jobs, protects consumers and safeguards public health."

The full text of the American Clean Energy and Security Act of 2009 legislation is available at:
<http://energycommerce.house.gov/Press_111/20090515/hr2454.pdf>

The full list of signers on the Economist Cap and Trade Auctions statement is available at:
<http://www.cleanenergy.org/images/position_statements/SACE_EconStatement_FullList.pdf>

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