

a letter from board president, John Noel

Southern Alliance for Clean Energy celebrated its twentieth anniversary in 2005, and since then we have had many successes to commemorate the beginning of our third decade working toward clean, safe and healthy communities throughout the Southeast.

Today we are at a crucial crossroads. Tied with 1998, 2005 was the hottest year on record and 2006 may be even hotter. Many of our current lawmakers and their special interest influences choose to ignore the science and threat of global warming pollution. This is a mistake and jeopardizes our safety and prosperity. As the leading southeast regional group that focuses on creating global warming solutions, Southern Alliance for Clean Energy continues working to set our region and our nation on the right path by fighting for and achieving vital steps toward a clean energy future.

Our strategy is proving successful. We are influencing state energy plans; bringing clean, renewable power to regional college and university campuses; and educating the public and lawmakers on the problems we face and the economic opportunities existing to solve them.

Southern Alliance for Clean Energy is dedicated to protecting our communities. That is why we are continuing to work toward innovative and practical solutions to solve our current harmful energy policies. We are advancing the southeastern states as leaders in the nation for responsible energy choices so that we may make a stronger impact in preserving our quality of life in the Southeast, whether on the coast of Florida, at the farms of South Carolina or in the mountains of Tennessee.

The uscoming year will be challenging for our organization, and as always, we are grateful for your susport. Without the susport of our board, members and funders, we could not achieve our mission. Here's to clean energy and a successful 2007!

The Chief Environmental Concern of Our Time

Energy issues and global warming are the chief environmental concerns of our time. Our society's appetite for fossil fuels and the consequences of indulging it threaten human and natural habitats, our safety and our way of life. The Southeast relies too heavily on old coal-fired power plants, which account for over 50% of our energy supply and lead to high carbon dioxide emissions. When combined, the eight states comprising the Southeast (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee) make up nearly 20% of the United States' contribution to global warming pollution. If our region were considered one country, it would rank fifth in the world for global warming pollution from fossil fuel combustion, just between Japan and Germany.

Despite these worrying numbers, there is room for hope. The newest technology already makes it possible to meet all our current energy needs by using energy far more efficiently and by deriving power in much cleaner ways. Ultimately, such solutions can bolster worldwide standards of living and economic prosperity while avoiding environmental disaster.

The Southeast is at a critical crossroads. Global warming will affect all of us, and it is up to all of us to protect the future of the region we call home. The steps that we take in the months and years to come will shape the energy policy and environmental integrity of the region for the next several decades. We must decide today not to build polluting coal power or be seduced by the false promise nuclear plants. We must choose to instead increase efficiency and grow our current capacity for safe, clean energy so that future generations may enjoy the same beautiful places and prosperous way of life that we enjoy today. Please join us in our effort.

For the Earth,

Stephen A. Smith, DVM Executive Director

Southern Allliance for Clean Energy | 2006 Annual Report







Global Warming

The Southeast has the largest coastline of the continental United States, and our beaches and coastal habitats are some of the most beautiful in the world. However, these areas may be irreversibly damaged by the affects of global warming. As oceans become warmer, sea level rise will accelerate the rate of beach erosion and immersing fragile lowlands. Sea levels along Southeast coastlines are rising much faster than the average rate over the past 3,000 years. Further, global warming will likely increase the strength and frequency of storms and hurricanes when coupled with sea level rise the storm surge can be devastating. The Southeast bears the brunt of these storms. The costs of hurricanes can reach staggering amounts, as with Hurricane Katrina's record breaking \$200 billion price tag, and cause immeasurable costs such as loss of life, health, environment and community.

Southern Alliance for Clean Energy produced three short films on global warming's impact on some of our natural treasured areas—the Outer Banks of North Carolina, the Florida Everglades and Keys, and South Carolina's coast and mountains.

and Our Coasts

Southern Alliance for Clean Energy is working to reverse these devastating trends. With little leadership in Washington on global warming, we have focused on state- and local-level action on global warming. Southern Alliance for Clean Energy helped to pass the North Carolina Global Warming Act in 2005. This legislation created the Southeast's first state level action to study and recommend reductions of global warming pollution. We also have advocated for other southern states to follow North Carolina's lead.

Southern Alliance for Clean Energy is helping to make the connection between our treasured natural places in the Southeast that will be most adversely impacted by global warming, the people who love them and communities that depend on them.

Southern Alliance for Clean Energy educated local decision makers and the press by sponsoring events at national and international meetings highlighting the local impacts of global warming caused sea level rise and extreme weather events on the Southeast.













Opportunities in

Inland rural areas will also be affected by the impacts of global warming. Air pollution from fossil fuels is poisoning our Smoky Mountains, decreasing visibility in this tranquil area and killing off wildlife populations. Rivers and lakes that Southerners have swum and fished in for generations are being contaminated with mercury from coal plants.

Global warming is likely to affect agriculture by increasing flooding and changing rain patterns and temperatures in the South, potentially altering the kind of crops farmers will be able to grow and crop yields.

Rural residents may be negatively affected by global warming, but they also have the potential to be part of the solution through the production of bioenergy. Replacing petroleum fuels with biodiesel and cellulosic ethanol will lower carbon dioxide emissions and reduce toxic emissions. Additionally, southeastern farmers will find increased

Southern Alliance for Clean Energy works to educate farmers about bio-fuel production, and our staff works closely with government agencies in several states to promote legislation that will help farmers take advantage of these opportunities.

Rural Southeast

economic opportunities in biodiesel and ethanol production as demand for energy-producing crops increases.

There are already small operations in the South producing biodiesel and noncommercial cellulosic ethanol, and stricter clean air laws and higher fuel prices are creating a new push to expand the markets for both of these fuels.

Farmers and forest landowners may also find economic opportunities as the nation works to reduce some of the global warming pollution already emitted into the atmosphere. Southeastern soils and forests that can absorb excess carbon dioxide in the atmosphere could play an important role in mitigating the effects of global warming.

Southern Alliance for Clean Energy has many ongoing projects to bolster rural communities' contribution to global warming solutions.

Southern Alliance for Clean Energy has constructed our own local biodiesel production facility in Atlanta that provides clean, renewable biodiesel to Emory University and will soon be available for retail to the general public.













Taking Action in our Communities

According to the 2000 Census, 73% of the South's population live in urban centers. Due to population density and infrastructure, the costs of stronger, more frequent storms and sea-level rise are great in coastal cities. Urban areas that are landlocked are at greater risk for stagnant, hot conditions that lead to poor air quality and heat-related illnesses and deaths.

To protect our southeastern cities from these hardships,
Southern Alliance for Clean Energy has been challenging
utilities' proposals for new coal plants. We believe that energy efficiency measures should be fully utilized before new
plants are built that will add to poor air quality and exacerbate global warming.

Southern Alliance for Clean Energy is also helping institutions such as universities and religious congregations in the Southeast bring renewable energy to their communities.

Southern Alliance for Clean Energy worked with students at three Tennessee universities to pass referendums that resulted in their schools becoming the largest purchasers of Green Power in Tennessee and reducing their carbon footprint.

The Coming Year

Our energy future is full of possibilities. We have so many opportunities to be good environmental stewards of the region that has been such a hospitable home to us all, and as the tides are turning in local and national debates, now is the time to seize these opportunities. Sharply rising fuel costs and the threats posed by dependence on volatile countries for our fuel needs have prompted national discussion on energy independence and alternatives. Further, as we begin to see the devastating effects that humanity's actions have had on our beautiful earth, more and more citizens, religious groups and politicians are seeing the pressing need for change.

With your support, Southern Alliance for Clean Energy will continue to work for increased implementation and availability of clean, renewable energy sources while fighting against choices that will endanger not only our future but also the future for the generations that follow. We have choices. It is now up to all of us to muster the will to fight for and to create a clean energy future.







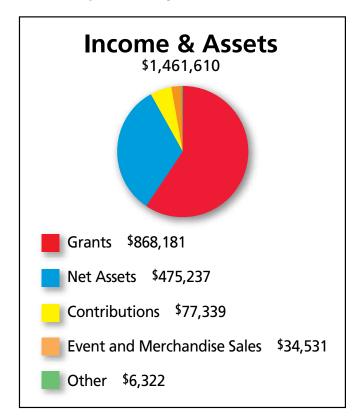


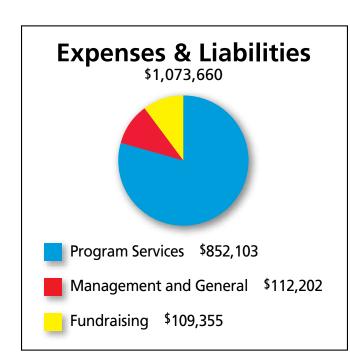






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