

Center for American Progress Action Fund



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TESTIMONY: John D. Podesta on Increasing Competitiveness Through Clean Energy

CAP Action President John D. Podesta testifies before the Senate Committee on Environment and Public Works on the Clean Energy Jobs and American Power Act.

Read the testimony:

CAP: http://www.americanprogress.org/issues/2009/10/podesta_epw.html

CAP Action: http://www.americanprogressaction.org/issues/2009/10/podesta_epw_testimony.html

PDF: http://www.americanprogressaction.org/issues/2009/10/pdf/podesta_epw.pdf

PULL QUOTES FROM TODAY'S TESTIMONY:

"We are losing valuable ground to our competitors every day that we do not take action. Our economic competitors are embracing the future—investing in new economic, energy and environmental opportunities to capture the clean energy technology edge, grow their domestic clean energy markets, expand new employment opportunities, increase production of secure domestic renewable energy. The real threat to U.S. competitiveness is not embracing the future, but being stuck in the status quo, 20th century energy system.

For example, China is spending 34% of its \$586 billion on clean energy and clean energy infrastructure. Between now and 2011 they are investing \$300 billion in the largest railway expansion in the world – I recently travelled from Beijing to Tianjin going 215 miles an hour on their new intercity high speed rail service. They own 40 percent of the solar PV production market – almost the same share the U.S. had in 1995. (Now we're under 10 percent.)"

"Germany has the world's largest installed capacity of solar photovoltaic panels and second-largest amount of wind power. The renewable energy sector now employs 280,000 people, and is estimated to grow to 500,000 by 2020.

Spain is conquering the intermittency problems associated with renewable energy and generates about one quarter of its electricity through renewable resources—about eight

times more than the United States. It is on track to generate 40 percent of its electricity from renewables by 2020, by investing in a state of the art national smart grid.

And India is investing \$20 billion to expand their solar capacity to 20 gigawatts by 2020 – 4 gigawatts more than total worldwide solar capacity stands today.

Passing the Clean Energy Jobs Act would signal to the world that the United States will seize the defining economic opportunity of the 21st century. This bill can unleash a tidal wave of innovation here at home, and draw on Americans' proven ingenuity and entrepreneurial spirit to build new businesses and to lead the world in clean-energy technologies and practices, just as we have in information technology and telecommunications. But we must take action now."

INTRODUCTORY REMARKS:

Madam Chairman and members of the committee, thank you for inviting me to testify before you this afternoon. I am very pleased to have this time to share my thoughts on the Clean Energy Jobs and American Power Act, S. 1733, and its power to boost our economy's competitiveness.

The Senate global warming debate has focused on pollution limits and timetables, carbon markets and allocations. But we have lost sight of our principal objective: building a robust and prosperous clean energy economy. Moving beyond fossil fuel pollution will involve exciting work, new opportunities, new products and innovation, and stronger communities. Our current national discussion about constraints, limits, and the costs of transition overshadows the economic opportunity of clean energy investments. It is as if, on the cusp of the Internet and telecommunications revolution, debate centered only on the cost of digging trenches to lay fiber optic cable.

Many of our economic competitors see investments in clean energy technologies as key to their long-term sustainable economic growth. Germany, Spain, Japan, China, and even India are building the foundation for a prosperous low-carbon future. Many leaders in the American business community realize the competitive threat to the United States if we do not join other nations by investing in our clean-energy sector. Venture capitalist John Doerr and General Electric CEO Jeff Immelt warn, "There is still time for us to lead this global race, although that window is closing. We need low-carbon policies to exploit America's strengths—innovation and entrepreneurs."

To gain the lead in the clean-energy race—as we have done in other sectors—we need to reduce our global warming pollution as the Clean Energy Jobs and American Power Act requires. The bill puts a price on carbon pollution that recognizes the harms and costs of global warming, and it would level the playing field between the prices of dirty and cleaner energy sources. The Clean Energy Jobs Act, combined with companion measures before the Senate, would create a clean-energy investment program that would cut greenhouse gas pollution, spur clean-energy technology innovation, create new jobs, and increase American energy independence.

The boost to American economic competitiveness from the Clean Energy Jobs bill costs relatively little, particularly when compared to its benefits. The Environmental Protection Agency analysis of S. 1733 found that the "likely impacts of S. 1733 would be similar to H.R. 2454," the American Clean Energy and Security Act passed by the House on June 26. The Environmental Protection Agency's analysis of ACES found that the "average household consumption would be reduced by less than 1 percent in all years." The EPA estimated that

the overall average cost to households would be \$80 to \$111 annually—less than the cost of a postage stamp a day.

The EPA's recent analysis reiterated an important finding from the Congressional Budget Office that the ACES bill would benefit the least well off in American society. "Lower-income households are on net better off than without the [pollution reduction] policy." The EPA noted that another study of H.R. 2454 confirmed that:

"In 2015 the benefit of these allowance allocation approaches more than offset higher cost of goods and services resulting from the [pollution reduction] policy for households in the bottom two income deciles."

In other words, the Clean Energy Jobs bill would increase American competitiveness while helping those at the bottom of the income ladder.

In addition, there are several elements that are critical for making America more competitive that should be included in clean-energy legislation:

- A declining limit on greenhouse gas pollution that achieves a 20 percent reduction by 2020 would boost investments in clean-energy technologies.

- Protection of tropical forests from destruction would prevent significant pollution at a very affordable price.

- An independent Clean Energy Deployment Administration would provide resources to commercialize to scale promising clean-energy technologies.

- A "Rebuild America" program to retrofit buildings to dramatically increase their efficiency would create jobs, save ratepayers money, and reduce pollution.

- Expanding demand for natural gas as a "bridge fuel" and adopting additional safeguards for gas production would help replace dirty coal and foreign oil.

In addition to domestic legislation, the United States should actively collaborate with the international community to accelerate the development and deployment of technologies in renewable energy, energy efficiency, and carbon capture and storage. I will discuss each of these vital programs in my testimony.

Thanks to your leadership, Madam Chair, the Clean Energy Jobs and American Power Act includes several of these measures essential to building a comprehensive clean-energy investment package. We strongly urge the members of the Senate Environment and Public Works Committee to vote for this bill. Other important measures in legislation passed or pending before other Senate committees should be joined together before the full Senate debates this bill.

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