



June 8, 2007

The Honorable Jeff Bingaman
Chairman
Energy and Natural Resources Committee
United States Senate
Washington, DC 20510

The Honorable Pete V. Domenici
Ranking Member
Energy and Natural Resources Committee
United States Senate
Washington, DC 20510

Dear Sirs:

The U.S. Climate Action Partnership (USCAP) would like to thank you for advancing energy efficiency and carbon storage as part of the energy security bill the Energy and Natural Resources Committee reported on May 7, 2007.

USCAP has pledged to work with the President, the Congress, and all other stakeholders to enact an environmentally effective, economically sustainable, and fair climate change program consistent with USCAP's principles at the earliest practicable date. These principles are articulated in the USCAP "Call for Action," available at www.us-cap.org.

We are confident that the environmental and economic objectives described in the Call for Action are attainable if we promptly enact an economy-wide, market-driven approach that includes, among other things, a cap and trade program that places specified limits on greenhouse gas emissions, and a fully funded federal technology research, development, demonstration and deployment program for climate-friendly technologies.

While we urge the enactment, during the 110th Congress, of legislation embodying our complete recommendations, we also believe that Congress has some immediate opportunities to take steps in the coming months that can be advanced independently of enacting the comprehensive climate policy. These opportunities include new laws to bolster energy efficiency and to deploy carbon storage technologies.

The energy efficiency and carbon storage provisions in the bill your committee reported on May 7 include several measures that align with USCAP's recommendations. These areas of alignment include:

- Authorization for funding of large-scale carbon sequestration projects.
- Requiring a national assessment of U.S. capacity to store CO₂.
- New efficiency standards for lighting, residential boilers, and industrial motors.

June 8, 2007

Page Two

- Increased efficiency standards for federal buildings.
- Grants that may be used to support state implementation of green building codes.
- Stating that energy efficiency is a priority resource and encouraging states to align utility incentives to help achieve this.

USCAP's energy efficiency and carbon storage recommendations include other measures that are not currently in the bill reported by the committee. We recognize that many of these provisions fall under the jurisdiction of other committees, and we will be communicating with the bipartisan leadership of those committees on these issues. Additional measures USCAP encourages including in a comprehensive energy efficiency and carbon storage package are:

- Establishing a fund to support carbon storage research and commercial-scale demonstration projects.
- Establishing a fund to support post-closure management of geologic storage facilities.
- Establishing an Office of Green Buildings to provide guidance to the federal government and states on codes, standards and other programs and initiatives.
- Improving the DOE prioritization process to highlight products and end-use technologies that have the greatest potential for overall energy use and greenhouse gas emissions.
- Requiring the DOE to apply a carbon-adjusted energy price in determining cost-effectiveness in energy efficiency codes and standards.
- Extending the energy efficiency provisions in the Energy Policy Act of 2005, including tax credits, incentives, and rebates, for a minimum of 5 years.
- Aligning tax policies, including depreciation schedules, to accelerate the deployment of energy-efficient, "smart" and low-carbon technologies.
- Requiring the EPA to promulgate regulations governing the storage of CO₂.

Continuing our process of reaching consensus agreement on policy issues, USCAP is pleased to provide additional details on the energy efficiency and carbon storage measures we recommend. We have attached papers on each of these topics.

On behalf of the all USCAP members (see attached), we look forward to working with you to advance a comprehensive climate policy. For additional information, please have your staff contact Melissa Lavinson (202-638-1958) and Nikki Roy (703-516-0633).

Sincerely,



Eileen Claussen
President
Pew Center on Global Climate Change
Co-Chair of the Government
Outreach Committee
U. S. Climate Action Partnership



Peter Darbee
Chairman, CEO & President
PG&E Corporation
Co-Chair of the Government
Outreach Committee
U. S. Climate Action Partnership

