



CLIMATE EQUITY ALLIANCE

August 6, 2009

Dear Senator:

Organizations from the research, advocacy, faith-based, labor, human services, and civil rights communities have formed the Climate Equity Alliance to help ensure that the strong policies needed to reduce greenhouse gas emissions also protect low- and moderate-income households and expand economic opportunity. Specifically, endorsing organizations of the Climate Equity Alliance believe climate change and clean energy policies should be guided by the following six principles:

- **Protect people and the planet:** Limit carbon emissions at a level and timeline that science dictates.
- **Maximize the gain:** Build an inclusive green economy providing pathways into prosperity and expanding opportunity for America's workers and communities.
- **Minimize the pain:** Assist low- and moderate-income families in meeting their basic needs.
- **Shore up resilience to climate impacts:** Assure that those who are most vulnerable to the direct effects of climate change are able to prepare and adapt.
- **Ease the transition:** Address the impacts of economic change for workers and communities.
- **Put a price on global warming pollution and invest in solutions:** Capture the value of carbon emissions for public purposes and invest this resource in an equitable transition to a clean energy economy.

Climate Equity Alliance endorsing organizations commend the House of Representatives for its work on advancing comprehensive climate and clean energy policy in the United States. As the bill moves forward, the Alliance will work to maintain key components while seeking improvements in several important areas.

To protect low- and moderate-income consumers from a loss in purchasing power, the Senate should:

1. Ensure that low-income consumers are fully protected from the impact of higher energy prices:
 - Maintain the House provisions that use the Electronic Benefit Transfer (EBT) system as the principal vehicle for providing this relief in order to ensure that the relief has broad reach and set the relief at a level that minimizes the number of low-income families that suffer losses;
 - Maintain the House provision that provides relief via a refundable tax credit for low-income workers without children, who are much less likely to be reached through the EBT system.

2. Provide an appropriate percentage of the allowance value to the Low-Income Home Energy Assistance Program (LIHEAP) to help low-income families facing especially large home energy price increases.
3. Add language to the bill to ensure that relief that is intended to go to residential consumers through utility companies actually does so.
4. When allocating funding provided in the American Clean Energy and Security Act (ACES) for improving resilience to climate change, prioritize the needs of vulnerable communities, including low-income communities and communities of color, that are at risk of substantial adverse impacts and have limited capacity to respond to such impacts.
5. Scale back the portions of the bill that would result in windfalls to corporations and businesses - particularly relief for commercial and industrial customers of local distribution companies (LDCs) - with the proceeds used to strengthen low-income relief, extend direct consumer relief to moderate-income households, help communities in the U.S. and abroad adapt to the impacts of climate change, and make cost-effective investments as described below.

To maximize the opportunities for America's workers and communities during the transition to a green economy, the Senate should:

1. Put a price on global warming pollution and invest in solutions.
 - Cap and trade legislation should come as close as possible to a 100% auction of emissions permits. Whatever auction percentage prevails in the current political dynamic, there should be sufficient resources (whether from auction revenue or free allowance allocation) to protect low- and moderate-income consumers and maximize cost-effective investments in clean energy solutions that create good jobs in the U.S.
2. Use auction revenues to maximize job creation potential and economic opportunity for low-and moderate-income Americans.
 - Maintain and fund the programs to support building energy efficiency retrofits outlined in the American Clean Energy Leadership Act reported out of the Senate Energy and Natural Resources Committee, including the Weatherization Assistance Program, which is targeted to achieve energy efficiency in low income communities.
 - Direct gas and electric local distribution companies and home heating fuel distributors to dedicate a percentage of their allowance revenue to energy efficiency improvements in homes and businesses in order to create jobs and ensure long-term energy savings, after scaling back LDC relief for commercial and industrial customers (see #5 above).
 - Some investments in energy efficiency should be targeted specifically towards the nation's low-income housing developments, in particular public housing and privately-owned multifamily buildings that are federally subsidized.

- Assist manufacturers to produce clean energy technologies by maintaining and funding the Senate equivalent of the IMPACT manufacturing provisions in ACES, which provide federal funding for manufacturers to retrofit and retool facilities to develop, produce, and commercialize clean energy technologies.
3. Invest in people and communities to build pathways into prosperity in a clean energy economy.
- Dedicate allowance revenue for long-term funding of the Green Jobs Act.
 - Ensure job quality and access from public investments: Senate legislation should include, at a minimum, the Green Construction Careers Demonstration Project contained in ACES, which creates middle class careers in the green economy for low-income Americans.

We make these recommendations in the belief that we should approach climate and clean energy policy not only as environmental policy, but also as economic policy that can advance principles of fairness, equal access, opportunity, and broadly shared prosperity.

Respectfully,

Center for American Progress Action Fund
Center on Budget and Policy Priorities
Green For All
NAACP
National Hispanic Environmental Council
Change to Win
Wider Opportunities for Women
National Women's Law Center
Community Action Partnership
Democracia Ahora
Coalition on Human Needs
National Low Income Housing Coalition
Enterprise Community Partners
ACORN
Institute for Local Self Reliance
Green DMV
Concerned Black Clergy of Metropolitan Atlanta, Inc.
Franciscan Action Network
Jewish Council for Public Affairs
Oxfam America
Redefining Progress