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BRIGHT LIGHTS IN THE CITIES: PATHWAYS TO AN ENERGY-EFFICIENT FUTURE

HEARING

BEFORE THE

SELECT COMMITTEE ON
ENERGY INDEPENDENCE
AND GLOBAL WARMING
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

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BRIGHT LIGHTS IN THE CITIES: PATHWAYS TO AN ENERGY-EFFICIENT FUTURE

FRIDAY, NOVEMBER 2, 2007

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON ENERGY INDEPENDENCE
AND GLOBAL WARMING,
Washington, D.C.

The committee met, pursuant to call, at 2:30 p.m., in the Olympic Room, Edgewater Hotel, Seattle, Washington, the Hon. Jay Inslee [member of the committee] presiding.

Members Present: Representatives Inslee, Sensenbrenner, and Walden.

Also Present: Representatives Dicks and McDermott.

Mr. INSLEE. Committee will come to order.

Welcome to sunny Seattle. We hope you're all enjoying this glorious day and will enjoy what I think will be a very interesting hearing.

Before I make an opening statement, I have a couple procedural matters I need unanimous consent on so we can have our fearless Chairman Ed Markey's statement entered into the record and all other select committees'.

Ed was good enough to get this committee out here. Unfortunately, he tore his Achilles heel doing a 360 dunk in Boston, so he couldn't quite make it. So I would ask for unanimous consent for that.

[The statement of Mr. Markey follows:]

Statement of Congressman Edward Markey
Chair, Select Committee on Energy Independence and Global Warming
"Bright Lights in the Cities: Pathways to an Energy-Efficient Future"
November 2, 2007

Thank you for attending the Select Committee's field hearing in Seattle. Doctor's orders have prohibited me from attending today, but I am eager to hear about the good work that is being done in America's cities to reduce heat-trapping emissions. Congressman Inslee, who so ably represents your host city and who has been a longtime friend of the environment, will serve as a skilled chairman in my absence.

Our first field hearing was held on top of a mountain in New Hampshire to highlight the impacts of global warming on the environment. It seems appropriate that this second field hearing of the Select Committee is being held to hear from climate's mountain climbers – the mayors of our cities and towns who must meet the challenge of global warming on the ground while also providing the local economic development, infrastructure, and services necessary for a successful locality.

Mayors of cities and towns of all sizes and the witnesses before us today are achieving real progress in reducing emissions through land use planning, energy efficiency and renewable energy. Mayor Nickels helped initiate the US Conference of Mayors Climate Protection Agreement and recently added food waste to the list of Seattle's mandatory recycling materials. Mayor Bloomberg has created PlaNYC, an effort to cut 30% of New York City's global warming pollution by 2030 and purchase up to up to 30% of electricity from renewable sources by 2020. Mayor Palmer has directed an aggressive environmental agenda through the U.S. Conference of Mayors while creating the Trenton Green Initiative, a public-private partnership to advance green jobs and energy efficiency. Mayor Diaz is establishing a water conservation and

waterways protection program as part of eleven key sustainable measures that were approved by the Miami City Commission year. Mayor Villaraigosa has set a goal for Los Angeles to increase the renewable energy resources to 35% by 2030, and is conducting energy audits and offering CFL light bulbs as part of his effort.

Cities and towns are making this progress because the risks of global warming are too great to ignore. Rising temperatures and sea levels are already depleting water supplies and straining utility efforts to cool homes. Poor air quality from coal-fired power plants and transportation jeopardize the health of residents. As drought spreads and shorelines recede, economies are in peril. Our witnesses today represent the innovations and challenges around the country to fight global warming. These include municipal vehicles running on alternative fuels, utility efficiency, recycling, smart growth and renewable energy goals. Their initiatives serve as an inspiration and constant reminder to "think globally, act locally."

Today, the Select Committee would like to discuss local environmental and energy achievements that can serve as models for a federal focus on global warming. We also want to learn how the federal government can support localities that are aggressively reducing their contributions to global warming and dependence on foreign oil. As the House and Senate work to send an energy bill to the President, the Select Committee can use the local successes discussed today to ensure a cleaner, healthier environment and a stronger, greener economy for the nation.

Mr. INSLEE. And without objection, so ordered.

I would also like to ask consent to allow our local talents, Norm Dicks and Jim McDermott, to join us and acquire the same privileges as other members of the committee.

And without objection, so ordered.

I'll yield myself 5 minutes for an opening statement.

First, I want to welcome you all to our hearing today.

I think that it is the right place, it is the right time, and it is the right group of people to have a hearing like this.

It's the right place because we are in Seattle, Washington, which is the hub of technological creativity and a group of people who know that we need some creative thoughts and creative technology on how to solve this global warming problem.

It is the right time because the United States Congress finally, after years and years of passivity and neglect, is now ready to move on legislation to help communities across the nation deal with global warming and truly revolutionize our economy to one based on clean energy.

It's certainly the right people because we have four people representing scores of mayors across the country who have been such visionaries and have lead their local communities—I'm starting right here with our local mayor, Greg Nickels.

I'd also like to thank Jim Sensenbrenner of Wisconsin and Greg Walden who traveled to this, and they have been very active members of this committee, which has been a great committee, in my estimation, and Norm Dicks who was instrumental in providing $90 million in a recent appropriations to deal with global warming, and Jim McDermott who has been a leader in an effort to try to switch some priorities by removing subsidies and tax breaks for oil companies and move them into clean energy research.

So before we hear from our witnesses, I wanted to note something about Seattle, Washington, which has been a hub of research based both on the science of global warming but on efforts to deal with it.

I want to applaud Mayor Nickels for his leadership in this national effort to engage the mayoral talent across the country and its success, and you just heard that under Mayor Nickels' leadership, Washington has meet Kyoto targets. We want that to be something that will be replicated.

He is not the only one. We have a leader in our area. County Executive Ron Sims and he have teamed up to be involved in some very progressive land use and transportation measures, and I appreciate their leadership in this regard.

You know, Seattle City Light, they serve 380,000 residents, but their energy efficiency initiatives have reduced the release of CO_2 in the atmosphere by more than 584,000 metric tons because they have taken some common sense measures, and we want to make that a national policy and believe we can do that.

Their savings are the equivalent of removing more than 131,000 cars from the roads. That is a signal achievement.

Now, I wanted to share some good news with you. We have been waiting sort of perched in the capitol for years in great frustration.

It's been both an inspiration and frustration watching these mayors at work.

It's been an inspiration to see what they've been able to achieve with relatively little resources and some shoe levering great ideas and the urgency of the moment, but it's been a frustration because we haven't been able to move in Washington, D.C.

The bad news is the ice is melting in the Arctic. The good news is the ice of resistance is melting in Washington, D.C., and we are ready to get going on climate change legislation.

In August, the House of Representatives passed a bill that has the most aggressive energy efficiency standards for lighting ever, the most aggressive energy efficiency standards for heating and cooling appliances ever, the first ever federal directions for energy efficiency in building codes, the first ever federal legislation that will decouple utilities so that they can start selling conservation rather than just electrons, and importantly, a renewable portfolio standard that follows Washington state's adoption of a 15 percent RPS, the first one in the nation's history.

We now are working with the Senate to try to reach a consensus, and I'm pleased to report that the fire, the clean fire, that these mayors have started is now reaching Washington, D.C., and I'm going to be very happy to report to them when their ideas reach fruition as a national policy because we know we cannot solve this just on a city by city wide basis. The scope of this challenge is too great.

We have to have a new Apollo project in clean energy. That's why I named my bill The New Apollo Energy Project and even wrote a book about it, about that subject.

We have great work for the mayors but are very excited to hear from them, but we know we need a national policy as well.

With that, I'd like to yield to Mr. Sensenbrenner from the great state of Wisconsin.

Mr. SENSENBRENNER. Thank you very much, Mr. Chairman.

First of all, I'd like to note that the only Members of Congress who don't represent Washington state who come to this hearing are Republicans, and maybe that's why the weather is so good today.

This is the second time the select committee has invited mayors from across the nation to testify about their efforts to reduce the emissions of greenhouse gases that cause global warming.

In June I told the mayors that testified before the select committee that their experience shows how difficult it is to meet the climate change goals in the Kyoto Treaty.

From the moment that treaty was drafted, it was clear that it would have heavy impacts on the economy.

I chaired the congressional delegation that went to Kyoto, and after the agreement was reached, I opposed it because it was apparent that it would take economic sacrifices that weren't justified then or now.

I was particularly bothered about the fact that major emerging economies, like China and India, were exempt from any reductions in the growth rate of greenhouse gases whatsoever.

The result would surely have been a flight of manufacturing from America to those exempt countries that is far greater than we're seeing today, and that's saying something.

It's been almost a decade since the treaty was adopted, and the results from Europe aren't good.

It appears that several European nations are far from meeting their Kyoto goals, and those that are are doing so because of factors other than reducing greenhouse gases that weren't going to be reduced anyhow.

This week the Seattle Times published an article about the difficulty many cities here in Washington state are having with meeting Kyoto goals, and I'm not surprised that cities which have pledged to meet Kyoto-like goals are having troubles, although I honestly don't believe it's due to a lack of any effort on their part.

States and localities are often referred to as laboratories of democracy, but in this case cities can be seen as laboratories of global warming policy.

I am pleased that nearly 700 cities have pledged to work to meet Kyoto's goal, and I hope that those cities will make their best effort to fund those global warming initiatives themselves.

One of the biggest problems with implementing global warming policy is the cost.

When city politicians try to mask those costs by using federal funds, then we're no closer to understanding what sacrifices voters are willing to make in order to try to address global warming, and that's very important information for Members of Congress.

Republicans on this select committee and in Congress aren't out to oppose every global warming policy. However, I believe that Congress should be guided by some principles when considering global warming legislation.

Any global warming policy should, first, result in tangible and measurable improvements to the environment; second, support technological advances; third, protect jobs in the economy; and fourth, include global participation, including China and India.

I'm confident that Congress can find ways to address global warming while meeting these goals, and in doing so I'm sure Congress will look to see what works in the cities and states that have made their own emission reductions.

Thank you, Mr. Chairman.

Mr. INSLEE. With that, I would like to yield to our good friend Greg Walden, who has been a leader on issues in forestry issues from the great state of Oregon.

Mr. WALDEN. Thank you very much, Mayors. Welcome.

Thank you for letting us join you today and thank you for joining us today. We appreciate that.

I like to be in Seattle, and while I would not necessarily disagree with my colleague from Wisconsin that bringing good weather is a Republican thing, I think it just happened to follow me from eastern Oregon earlier today because we know that's where the good weather really resides.

In fact, that's where wind energy and geothermal energy reside as well. It is home to 70,000 square miles of enormous potential for wind, solar, and geothermal energy.

I've had scientists tell me that there's enough potential in Oregon in geothermal to replace two-thirds of the electrical generation used.

We know in the Northwest that we have done a good job on conservation. We have been a leader, I believe.

According to Northwest Power Conservation Council, from 1978 to 2005, the Northwest produced more than 3,100 megawatts of energy conservation, which equates to 40 percent of the load growth during this time period.

The state energy efficiency scorecard of June 2007 produced by the American Council for an Energy Efficient Economy ranks Oregon and Washington among the nine most energy-efficient states in the nation.

Public Power Council notes the Northwest has nearly 2,000 megawatts of installed wind capacity and another 4,500 megawatts under development, 638 kilowatts of solar facilities, 336 megawatts of geothermal, and will soon have some of the first ocean-powered projects in the nation, even though one of those initial buoys sunk the other day.

We are learning from it though.

We also have America's great national forests, and we'll talk later in this hearing, as I see my time seems to be running out rapidly, about the need to do better management of our forests.

We see these incredible fires. We know the emissions that are being released. We can do a better job of managing our forests and reduce the emissions that come from fires.

I will leave it at that, Mr. Chairman. I see my time has expired.

Mr. INSLEE. We'll yield to—Mr. Dicks is doing great work for Puget Sound and understands the impacts of global warming on our Puget Sound.

Mr. DICKS. Thank you, Mr. Chairman. I want to thank our Republican colleagues for coming all the way out here. I'm glad we had a beautiful day in the Northwest.

This year I became chairman of the Interior and Environment Appropriations Subcommittee, and one of the things I tried to do on our committee is to increase the funding for climate change activities.

We increased it by $96 million above the administration's request, $200 million in EPA's budget and $67 million for interior department agencies for climate change activities, $46 million for the climate change science programs of the U.S. Geological Survey, EPA, and the Forest Service.

We also are very interested in what the effects on wildlife will be and on our federal lands, and we have a hearing in which we brought in officials from the Forest Service, the BLM, Fish and Wildlife Service, and they told us, unanimously, that we already are seeing the consequences of a warming climate on our national lands, more drought, more bug infestation, very serious problems, and the rising of the sea, which has occurred more rapidly than at any other time in our history.

I want to say to the mayor: Mayor Nickels, we are very proud of you and your leadership and all of you mayors.

I read every one of your statements on the way out. I flew out this morning from Washington, and you all have done fantastic work, and you've got an action agenda, which is what we like to see, and I'm very confident that we're going to get an energy bill passed with your block grant in it, and I think that money is going to be necessary to help some of the communities.

The larger ones are going to be able to do this, a lot of the work themselves, but some of the smaller communities are going to need some assistance, and I think the block grant, which is the mayor's top priority, is a good idea.

Also, I just want to end on this: For the first time our bill requires EPA to propose and publish a regulation for reducing greenhouse gases.

The bill includes $2 million for the development of the regulations, following the recent Supreme Court ruling that the EPA has the authority to regulate greenhouse gases from local sources, so it's time for action, and EPA needs to start getting the regulation in place.

Mr. INSLEE. Thanks, Norm, and we'll yield to Jim McDermott, a great member of the Ways and Means Committee.

Mr. MCDERMOTT. Thank you, Mr. Chairman.

Welcome to Seattle.

Norm, Greg Nickels is my mayor, and we are proud to have the leadership in this city that isn't coming from Washington. We have to wait for 440 days until we're going to start to get some leadership from the White House.

America is importing supertankers loaded with oil, and we're exporting tankers loaded with America's cash, and it has made the United States dangerously vulnerable on economic, ecological, and national security, and our addiction to oil endangers the future of the planet.

Our current strategy for energy independence is not working.

The President has attempted to conquer oil fields in the Middle East to meet our energy needs.

Seven long years into this administration, the price for a barrel of oil has gone from $30 a barrel to nearly $100, and he still doesn't get it.

The President wants to conquer it by drilling in the Arctic National Wildlife Refuge. That won't work either.

The solution will come from the national resources all around us, wave, solar, biofuels and from policies that emphasize and reward conservation and efficiency.

We put a bill out of the Ways and Means Committee that's siting in the Senate, and we need your help to lobby the senators to get that bill out of there.

Drilling for oil is not going to save the planet, but ending our addiction to oil will.

Our work here is not merely about energy independence.

In a few short years we've gone from an inconvenient truth about global warming to a clarion call for action.

The Ways and Means Committee had a hearing in which all the witnesses said there was global warming and we ought to do it, called by both Republicans and Democrats.

This is not a partisan issue. It is an issue of understanding what's going on in the world.

We believe there's a chance, if we stop pretending and start defending our planet.

We need new technologies, new policies, and political leaders like the four distinguished mayors before us here today.

I not only want to hear what they're doing but what we need to do in Congress.

We want to listen to you today.

Thank you.

Mr. INSLEE. Thank you.

It's my honor to introduce these great optimistic leaders because I know they're optimists because they're here, and they're realists as well, and I appreciate that.

First—for a moment, first among equals, Mayor Greg Nickels of Seattle who has really spark-plugged this effort, and when the book is written about how we succeeded in this grant, you'll be in the first chapter, and thanks for your work.

I want to point to your green collar job successes that you've had, and I appreciate it.

By the way, you are my mayor too. Don't let McDermott steal the whole city.

Mayor Manuel Diaz of Miami has done great work and just recently announced 11 sustainable principles, sustainability principles, that Miami is going to enjoy, and my roommate's got clients from Florida who sings your praises, so great work.

Mayor Palmer from Trenton who I am very pleased to say is really the fellow known about brown fields leadership, and we hear about this in the East Coast all the time.

When I was writing this book, I heard about your efforts, and we appreciate that.

Of course, Mayor Michael Bloomberg, great city of New York, who has a tremendous idea about replacing taxi cabs and putting in hybrids.

I am to report, Mr. Mayor, I was in your great city Monday morning talking to Wall Street folks about how to create a carbon trading system, and both cab drivers said they love your proposals, so you have two constituents working for you.

Mayor BLOOMBERG. That's a start.

Mr. INSLEE. That's a start.

With that, I yield 5 minutes to Mayor Bloomberg.

STATEMENT OF THE HON. MICHAEL BLOOMBERG, MAYOR, NEW YORK CITY

Mayor BLOOMBERG. Thank you, Acting Chair and Ranking Members Sensenbrenner and Congressmen Walden, Dicks, and McDermott.

I bring greetings to you from your chairman Ed Markey. I was with him last night at a conservation international dinner, and I'm happy to report he really does have an injured Achilles tendon, he really is on crutches, and his wife really would have rather had him come out here.

Anyway, as you know, many of us just came from an event, the U.S. Conference of Mayors, run by Doug Palmer, which highlighted how much local leadership can do in climate changes across our city.

Let me just try to summarize what I told that conference today. I'll try to be succinct.

We think we need Congress to start taking the kinds of bold actions that cities and states are taking, and let me note that I'm

talking about mayors and governors, Republicans, Democrats, and Independents from east, west, north, south. We all feel the same way. We need federal action because putting the brakes on global warming is not only an environmental imperative, it is also a national security imperative and an economic security imperative.

The fact is that green energy is going to be the oil gusher of the 21st Century, creating good jobs across America: Farm jobs, factory jobs, sales jobs, management jobs. There's going to be a huge industry here, and we don't want our companies to move overseas where the employees will feel they can breathe cleaner air.

We are the world's superpower, and we have to be pioneers, and I'm afraid that we keep losing that opportunity.

Fighting global warming really is a national security imperative because it allows us to reduce our dependence on foreign oil, and that has really entangled our interests with tyrants and increased our exposure to terrorism.

Any serious long-term strategy for strengthening our national security really does have to include the strategy for breaking what President Bush said is our addiction to oil, and usually breaking an addiction involves a 12-step program, but I really think that in four steps we can do it.

Let's have a quick discussion on each of them.

First, we need to increase investment in energy R&D, including support for demonstration projects such as the waste energy plan we want to build in New York City.

Right now the U.S. is spending only one-third of what we were spending in the 1970s on R&D. It really is a disgrace. We talk about technology, and then we'll unwilling to fund it.

Second, we have to stop setting tariffs and subsidies based on pork barrel politics.

Why are we taxing sugar-based ethanol at $0.50 and subsidizing corn-based ethanol at $0.50 a gallon.

It may be good agricultural policy, and if it is, fine, do it, but call it what it is. It's not giving us better energy independence. It's special interest politics, plain and simple.

Third, we have to get serious about energy efficiency for both our buildings and our vehicles.

In New York City we are converting cabs to hybrids, but the federal government has to do what you guys did so well between '75 and '85. You forced Detroit and the other companies to raise average miles per gallon from something like 12 to 24, 25, and then we've done nothing since '85, and it was done to protect Detroit, and in fact you have destroyed the jobs in Detroit, you've destroyed the companies in Detroit.

It's gone exactly the wrong way. We have got to be serious about mileage standards.

Fourth and finally, we have to stop ignoring the laws of economics.

As long as greenhouse gas pollution is free, it will be abundant.

Capitalism really works. If you want to reduce it, there has to be a cost for producing it, which means putting a price on carbon, indirectly through a cap and trade system or directly through a charge on all carbon use.

What I want to talk about today is I think that the primary flaw of cap and trade is economic, it's uncertain. People don't invest when the prices go up and down because they don't know whether their investments will pay off.

The problem with the direct—what you could call a fee or a price or some people might disingenuously call a tax, is that it's politically unpopular, and it's time, I think, for Congress, because we can't do it, to stand up and tell the public that we have got to do something.

Forget about waiting for India, forget about waiting for China, forget about global warming. The air we are breathing today is what you've got to focus on, and you can do something about it by making it in everybody's interest to invest in R&D, invest in new technology, and cut the emissions that they're using, but whichever ways you go, you have to do something, and you have to make it something that's understandable by the public so that they don't think there is a special interest taking advantage of them. You have to make them think that it's being done efficiently. You have to make sure that it's going to have the desired effects, and thank you very much for considering it.

You guys really can make an enormous difference.

While we at mayor level criticize Congress, we shouldn't.

[The statement of Mayor Bloomberg follows:]

TESTIMONY OF NEW YORK CITY MAYOR MICHAEL R. BLOOMBERG
HOUSE SELECT COMMITTEE ON ENERGY INDEPENDENCE
AND GLOBAL WARMING
Seattle, Washington November 2, 2007

Good Afternoon Acting Chair Inslee, Ranking Member Sensenbrenner, and members of the House Select Committee on Energy Independence and Global Warming.

I appreciate this opportunity to speak with you today. As you may know, those of us on this panel just came from an event hosted by the U.S. Conference of Mayors, which highlighted how much local leadership there is on climate change in cities across the country. My remarks this afternoon will summarize what I told my colleagues at the conference.

And that message, to be succinct, is this: We need Congress to start taking the same kinds of bold actions that cities and states are taking. And let me note: I'm talking about Mayors and Governors who are Republicans, Democrats, and independents.

We need federal action because putting the brakes on global warming is not only an environmental imperative; it is also a national security imperative and an economic security imperative.

The fact is, green energy is going to be the oil gusher of the 21st century – creating good jobs across America. Farm jobs, factory jobs, sales jobs, management jobs. This is going to be a huge industry, and if we're going to remain the world's economic superpower, we have to be the pioneers.

Fighting global warming is also a national security imperative because it will allow us to reduce our dependence on foreign oil, which has entangled our interests with tyrants and increased our exposure to terrorism. Any serious, long-term strategy for strengthening our national security must include a strategy for breaking – in President Bush's words – our addiction to oil.

Usually breaking an addiction involves a 12-step program. I think we can do it in four steps, and I'd like to briefly touch on each.

[Pause]

First, we need to increase investment in energy R&D, including support for demonstration projects, such as the waste-to-energy plant that we would like to build in New York City. Right now, the U.S. is spending just one-third of what we were in the 1970s on R&D. The current energy bill should include more funding for clean energy projects – and for other projects that will lead to less greenhouse gas pollution.

For instance, I want to compliment the U.S. Department of Transportation for providing New York, Seattle, and several other cities with large grants to reduce traffic congestion.

In New York, we're using the money to develop a system of congestion pricing. This is another good example of how fighting global warming is also good for the economy – and good for public health. Because congestion not only increases greenhouse gas emissions, it costs the New York City region about $13 billion in lost economic activity, and the pollution it produces contributes to asthma rates that are twice the national average.

[Pause]

Second, we have to stop setting tariffs and subsidies based on pork barrel politics. Why are we taxing sugar-based ethanol at 50 cents a gallon while we are subsidizing corn-based ethanol at 50 cents a gallon – even though sugar-based ethanol is cheaper and producing it generates less carbon dioxide?

It's special interest politics, plain and simple – and it's not only hurting the environment, it's hurting consumers.

[Pause]

Third, we have to get serious about energy efficiency – for both our buildings and our vehicles. Last week, I signed an Executive Order instructing city agencies to reduce their discharge of carbon dioxide by 30% by 2017. To achieve this, we have committed to spend $80 million this fiscal year to install more efficient heating, ventilation and air conditioning systems, as well as more efficient lighting and boilers.

Congress has a big role to play in improving efficiency standards. For instance, other countries are phasing out inefficient incandescent light bulbs; we should too. But most importantly, we've got to get serious about mileage standards. In New York, we already have the largest municipal fleet of hybrid vehicles, and we've also begun converting all our 13,000 yellow taxis to hybrids or other high-efficiency vehicles. That's a great start, but to really make a dent in CO2 emissions and air pollution, we need Congress to act.

The current Senate energy bill would increase mileage standards from 27.5 to 35 miles per hour by 2020. I strongly urge the House to adopt the same standard – or tougher. It would not only be great for the environment, it may be the single best thing we can do to support the long-term health of the American auto industry.

[Pause]

Fourth and finally, we have to stop ignoring the laws of economics. As long as greenhouse gas pollution is free, it will be abundant.

If we want to reduce it, there has to be a cost for producing it – which means putting a price on carbon indirectly, through a cap-and-trade system, or directly, through a charge on all carbon use.

The primary flaw of cap-and-trade is economic – price uncertainty, which could have harmful economic effects; while the primary flaw of a pollution fee is political – because proposing new fees is unpopular.

But make no mistake: The costs are the same under either system – and if anything, costs might be higher under cap-and-trade, because middlemen would make money off the trades. By charging a direct fee, we could use that revenue to offer a tax cut – for instance, by cutting the payroll tax.

I've never been one to let short-term politics get in the way of long-term success, and I hope that this committee, as it considers the indirect cap-and-trade approach, will also consider the direct fee approach.

[Pause]

Whichever route we choose, we can't be afraid to act. Global warming is testing America's leadership on the international stage, and it is testing our resolve here at home.

Mayors and governors have shown that elected officials can make tough choices and still win the respect and support of constituents.

I'm hopeful that both ends of Pennsylvania Avenue will take that to heart and have the courage to take bold action – because there is so much riding on the outcome.

Thank you, and I would be happy to answer any questions you may have.

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STATEMENT OF THE HON. DOUGLAS PALMER, MAYOR OF TRENTON, NEW JERSEY

Mayor PALMER. Thank you again, Mr. Chairman and members of the committee.

I'm Douglas Palmer, Mayor of Trenton, New Jersey, President of the U.S. Conference of Mayors.

I am proud to be joined by my colleagues to share our views on federal actions you can take to support the broad and growing grass roots movement among mayors to address this critical challenge before the nation and our planet.

Mr. Chairman, please thank Chairman Markey for bringing this important field hearing to Seattle.

Undeniably, mayors are the nation's leaders on climate protection. We are the first responders, and we are in a position to engage the public as we look at a range of solutions and the actions that are needed to curb our greenhouse gas emissions.

For mayors, we're very anxious to have the federal government engaged as a better partner as we seek those environmentally friendly and sustainable climate protection policies and programs for our communities.

For America, we believe this partnership is necessary to help us be competitive in the worldwide race to develop the new generation of green technologies and practices, and these are jobs that we can't outsource.

As government leaders, we all know that each level has to do their part.

For mayors, we believe that in the short term the best way to organize is through grass roots, community-led initiatives, and that is what the mayor's climate protection agreement is all about.

I'll skip some of our history here to be brief, but we have, through the leadership of Greg Nickels, as was mentioned, we have now signed today 728 mayors to the climate protection agreement, which is more than one-quarter of the United States' population that now lives in cities where mayors have made a commitment to reduce carbon emissions by seven percent below the 1990 levels by 2012.

Last June we adopted a new conference policy that outlines federal actions you should pursue in reducing greenhouse gases.

As President of the Conference of Mayors, I have made an enactment of an energy block grant modelled after the successful CDBG program.

This is one of our top priorities. This proposal is the leading recommendation of the conference's ten-point plan: Strong cities, strong families for strong America.

We are very pleased that the House and Senate energy bills, which are pending now before you, include our energy block grant programs.

When enacted, this block grant will dramatically accelerate and expand local energy efficiency programs and help us make gains in protecting the climate.

In addition to the block grant, we want to call your attention to our key initiatives in the pending energy legislation: Green job initiatives, added support for public transit, expanded tax incentives for alternative energy sources, new energy efficient standards for

appliances, light bulbs, and buildings, and tax credit bonds to support large capital improvement by cities.

Today we call on Congress to finish work on this energy legislation and send agreement to the President this year.

The current energy legislation is not an end point but rather it is a beginning of a new generation of federal commitments to combating our excessive energy use, foreign energy dependence, and climate change.

Next up will probably be legislation to establish a cap and trade system. We need to make sure that these locally based initiatives that we are discussing here today are a key element of any cap and trade legislation.

In conclusion, Mr. Chairman, I want to again express my thanks to you and members of the committee for holding this hearing today and your continuing efforts to address climate change initiatives.

The mayors of this nation believe that the time has come for Congressional action on climate change, and we certainly appreciate the opportunity to talk to you about this.

What you see here today is an unprecedented group of over 100 mayors that have come together in cities from Seattle all the way to Meridian, Mississippi, from Trenton, New Jersey, from all over our country, and we all are good Americans, but we want our country to be safe and secure.

Getting off of foreign oil and our dependence on it, creating green collar jobs—which is essential in my city of Trenton, New Jersey, to create a whole new market and a source of jobs, help our middle class stretch our economy and produce sustainable jobs.

This is about America, and America will lead the way in this initiative.

I'm quite sure that when we show what we can do and make money from being green, that China and India and the rest will follow our lead as these countries follow this great American experiment called the United States of America.

Thank you.

[The statement of Mayor Palmer follows:]

Testimony of

The Honorable Douglas H. Palmer
President, The United States Conference of Mayors
Mayor of Trenton, New Jersey

On behalf of
The United States Conference of Mayors

Before the
Select Committee on Energy Independence and Global Warming
The United States House of Representatives

Field Hearing -- Seattle, Washington

November 2, 2007

Mr. Chairman and Members of the Committee, I am Douglas Palmer, Mayor of Trenton and President of The United States Conference of Mayors. I am joined on this panel by Conference Vice President Mayor Manny Diaz of Miami, Conference Advisory Board Chairman Mayor Greg Nickels of Seattle, Mayor Michael Bloomberg of New York City, and Mayor Antonio Villaraigosa of Los Angeles.

We thank you for this opportunity to appear before you today on behalf of The U. S. Conference of Mayors, a national organization that represents more than 1100 U. S. Cities with a population of 30,000 or more.

We also want to thank the Committee for joining us in Seattle, Washington at The U. S. Conference of Mayors National Climate Protection Summit. We are honored that you selected our National Summit on Climate Protection to hold this field hearing titled *Bright Light in the Cities: Pathways to an Energy-Efficient Future,* and we commend the Committee for taking the steps necessary to begin addressing on a national level the issue of climate change.

Cities have always been at the forefront of innovation and progress in this country. Climate change is a global challenge that has manifested itself on a local level. Mayors from across the nation are leading the country in taking action on this monumental challenge. As the first responders, mayors are in a unique position to implement and coordinate local action that will lead to significant and real reductions in energy use and its impact on global warming.

Each of us here today, and other mayors across this country, can testify to these realities and offer perspectives on the broader challenges and opportunities before the nation. For most of us, it is about moving forward on environmentally friendly and sustainable climate protection policies and programs for our communities, where Americans live and work. It is also about meeting the challenge of making climate protection policies work where jobs are being created and retained in our communities.

One of the challenges before us is developing national policies and programs that begin to make significant reductions in greenhouse gas emissions, while protecting our environment and creating "green collar" jobs. And, we believe that any successful climate protection strategy must include a grassroots, community-led component.

History of Activity

Mr. Chairman, the nation's mayors have been at the forefront of promoting energy efficiency in our cities, which reflects the growing public consensus that we need to become more energy independent and, at the same time, curb rising greenhouse gas emissions.

In 2005, at our Annual Meeting in Chicago, IL, led by Mayor Greg Nickels of Seattle, The U. S. Conference of Mayors passed a comprehensive climate protection policy and encouraged mayors to sign the United States Conference of Mayors Climate Protection Agreement. At that meeting, 141 mayors pledged to begin the process of reducing greenhouse gas emissions and promoting energy efficiency in our buildings and homes due to the lack of action by our Federal government.

Today, I am pleased to announce that more than 700 mayors representing 25 percent of the U. S. population have signed this Agreement, pledging local actions to reduce carbon dioxide emissions by seven percent below 1990 levels by 2012.

We believe that to reach our goal set forth in the U.S. Conference of Mayors Climate Protection Agreement and other milestones over the next couple of decades, we must forge a new partnership with the Federal government and the private sector to help accelerate efforts by mayors to protect our climate.

We have also adopted a goal along with the American Institute of Architects to make all new buildings carbon neutral by 2030. This 2030 Challenge is our way of trying to create momentum and policy consensus on where we must go with the nation's building sector over the next generation.

In addition, earlier this year the Conference of Mayors established the Mayors Climate Protection Center to support climate protection activity at the local level. Through mayoral leadership, cities nationwide continue to undertake programs that make significant strides toward reducing greenhouse gas emissions.

Cities are expanding and enhancing traditional recycling programs; capturing methane from municipally-owned landfills to power local facilities; converting vehicle fleets from standard gasoline or diesel power to alternative fuels or hybrid gas/electric technology; and upgrading municipal buildings to be far more energy efficient. These examples demonstrate the high level of innovation and creativity that mayors are employing to not only create more sustainable communities, but to create new jobs and other economic opportunity.

National Energy Policy

Let me now speak to some key items in the energy bill, *New Direction for Energy Independence, National Security, and Consumer Protection* or H. R. 3221. When I became President of the Conference of Mayors, I made enactment of an energy efficiency block grant program a top priority. This proposal is a key feature of the Conference of Mayors' ***10-Point Plan: Strong Cities, Strong Families, for a Strong America.***

Enactment of H. R. 3221, which includes this block grant, would support community-based energy efficiency and conservation efforts. It would also enable cities to continue to develop programs that will help them reduce energy use and increase energy efficiency. Specifically, the block grant, which is, modeled after the highly successfully Community Development Block Grant (CDBG) program, will provide funding directly to cities, counties, and states for programs that 1) improve community energy efficiency; 2) develop and implement community strategies to reduce carbon emissions; 3) develop and implement community and transportation energy conservation programs; 4) encourage the development of new technologies and systems to decrease our dependence of foreign oil; and 5) promote development of alternative and renewable energy sources.

In addition to the block grant, we are pleased that the H. R. 3221 includes language on a new green jobs initiative; public transit services, tax incentives aimed at alternative energy sources; new energy efficiency standards for appliances; light bulbs, and buildings; new technologies to modernize the national power grid; and tax incentives for plug-in hybrids.

Because of the ongoing need for action, we strongly encourage Congress to finish its work on national energy policy and send a bill to the President by the end of the year. This legislation before us today is absolutely critical in moving not only America's cities, but the nation to the next level on climate change and Congress should be commended for its work this year. However, signing this legislation into law is not an endpoint but a starting point. We need a much more comprehensive approach that includes development of a cap and trade system that has a market plan and private sector innovation to achieve carbon savings among other thing. We look forward to working with Congress on the next steps in protecting our environment.

Metro-Economies and Job Creation

The nation's strength has always been locally driven, in cities and its communities. According to our Council for the New American City, and Global Insights, U.S. metro areas are truly the engines of the American economy. They are responsible for more than 85% of the nation's employment, 87% of income, and 86% of production of products and services.

This decade, 90.5 percent of U.S. economic growth has been generated in metro areas, as metro economies have increased their share of US economic activity from 86.0 percent in 2000 to 86.7 percent in 2006. In 2007, U.S. metros accounted for 87.4 percent of GMP and generated $12 trillion within the U.S. economy.

The bottom line is that cities are key to our national economy. Through our work on climate change, we have an opportunity to not only reduce our dependence on foreign oil, but to also create a new workforce – a green-collar, domestic workforce where green jobs remain in our communities.

In fact, according the Apollo Alliance, a ten year, $3 billion in investment in America's economic and energy future will add more than 3.3 million jobs to the economy.

Sustained investments in new energy technology that leads to improvements in buildings, appliances and fixtures will require us to transition from a blue-collar environment to a 'green collar" environment.

Trenton Green Initiative

Let me share with you some of the activity underway in the City of Trenton. Last month, I announced the formation of the Trenton Green Initiative, which is a new public-private partnership that will take specific action steps for not only making the City of Trenton a green and sustainable community, but also developing and achieving long-range climate protection goals that will ultimately reduce our carbon footprint.

An important component to the Trenton Green Initiative is our "green collar" careers program, which will engage the private sector in developing green collar jobs and training programs for Trenton residents.

While the goals of the Trenton Green Initiative are aggressive, we believe they can be met, and we intend to meet them by building on actions already underway to reduce greenhouse gas emissions:

- We have worked with the New Jersey Department of Environmental Protection in planting more than 4,000 trees in Trenton to reduce air pollution, lower temperatures in the summer, and absorb carbon from the atmosphere;

- We are now updating our Zoning Ordinance and are in the process of expanding the use of the Sustainable Design Rating System that the New Jersey Department of Housing and Economic Development now applies to all projects in its redevelopment areas.

- We are in the process of changing the light bulbs in City Hall to candescent fluorescent light bulbs.

- We are adopting the Practical Energy Management Guidelines of the State of New Jersey's Office of Energy Savings, which encompass specific steps to avoid wasting energy, lower costs, and increase environmental benefits.

While these actions are just a start in meeting the goals of the Trenton Green Initiative, we know further action will be necessary to meet and exceed our goals.

Conclusion

Mr. Chairman, I want to express again my thanks to you and Members of this Committee for holding this hearing today and your continuing efforts to address climate change issues.

The mayors of this nation believe that the time has come for Congressional action on climate change and we appreciate this opportunity to share the view of the nation's mayors on this important issue.

The nation must continue work on ways to stop squandering our resources, to practice energy conservation, to use renewable fuels, and to develop "green collar" careers in America cities.

Mr. INSLEE. We think we understand why the mayors have been so successful. This is very uncongressional. Our first two speakers didn't use all their time.

STATEMENT OF THE HON. MANUEL DIAZ, MAYOR OF MIAMI, FLORIDA

Mayor DIAZ. Mr. Chairman, Members, thank you for the opportunity to testify before you today.

I'm afraid I'm going to have to join that weather bragging that was going on earlier. I think it was the Florida mayors who brought the sunshine with us to Seattle.

Although the issue of climate change represents a global challenge, it has prompted a local response. This is what America's mayors have done.

You will now hear from our Pied Piper mayor, Mayor Nickels, who through his leadership has brought together over 700 mayors, including, I would add, 70 from Florida who have signed the Mayors Climate Protection Agreement.

In Miami we are particularly susceptible to the effects of climate change causing more and stronger hurricanes, rising sea levels, a threat in water supply, and a threat to one of the most fragile ecosystems in the world, the Florida Everglades.

Miami is responding with a climate action plan, our blueprint towards sustainability.

Through this plan, municipal government is placing environmental consciousness into every decision we make.

For the first time ever we have created an office of sustainable initiatives. We are creating our green fleets, converting our entire fleet to hybrids or other fuel-efficient vehicles by the year 2012.

Last year I traded my City SUV for a hybrid. I have doubled my fuel economy, cut my gas consumption in half, cut greenhouse gas emissions by 40 tons, and saved the taxpayers twice the amount of fuel costs in just one year.

Because buildings emit 48 percent of greenhouse gas emissions and consume 68 percent of electricity in the U.S., our green building program has laid credit to the first LEED precertified green building in the state of Florida.

Our new zoning ordinance will require all buildings over 50,000 square feet to be built silver certified, LEED certified green buildings.

We are training our City staff to be LEED certified and on providing expedited building permits for green buildings.

Apparently there's over $2 billion worth of green buildings—construction taking place in the city of Miami. We have gone from zero buildings in less than a year to over 20 buildings that have now registered in Miami. They are either going to build green or you're not going to build at all.

We have instituted green procurement and water conservation measures, public transit initiatives, such as dedicated bus lines and light rail.

In a city where hurricanes have depleted our tree canopy cover, our canopy replacement is a priority.

We have now adopted our first-ever tree master plans to increase our tree canopy by 30 percent in ten years.

I am proud that for the first time ever, Miami was named a tree city U.S.A.

We have also taken the ultimate step towards sustainability by increasing the density of our city because bringing people back to the urban corridor is the ultimate antidote for suburban sprawl.

Given the worldwide move towards urbanization, the single most critical action we can take to help save our planet is to embrace smart growth by designing cities that make sense.

In Miami, we decided to embrace smart growth on a scale never before seen in a major U.S. city, and this is the cornerstone of our Miami 21 project.

For too long cities have been planned around cars and not people. Miami 21 will change that by bringing sustainability through design.

It is rooted in the belief of the power of traditional neighborhoods to restore the functions of sustainable cities.

The idea is to make the city pedestrian friendly, building and designing around people, offering them great shared spaces of civic pride so they may work, live, and play all within walking distance.

Finally, we recognize that while individuals want to take the initiative in reducing their carbon footprint, they often do not know how. This is why we started an awareness campaign, something we call: One person, ten steps, ten tons, ten simple things a person can do to reduce their carbon footprint by ten tons.

As you can see, local government is acting, but local government cannot act alone.

If we are to ameliorate the impact of climate change, there needs to be a multifaceted approach involving all levels of government.

This is especially true when local governments are facing increasing budgetary constraints.

The Conference of Mayors has called on Congress to partner with us by providing additional resources to develop and implement comprehensive energy efficiency plans.

Both versions of the energy bill contain an energy efficient block grant whose passage is the top priority of the United States Conference of Mayors.

The CDBG would provide local governments with needed additional resources to continue developing and implementing comprehensive energy strategies for our community.

I would strongly urge that you adopt this important piece of legislation, and let me leave you with an ancient Native American saying, "We do not inherit the earth from our ancestors. We borrow it from our children."

Thank you for joining America's mayors today. Thank you for the opportunity to testify before you.

[The statement of Mayor Diaz follows:]

Testimony
Of

The Honorable Manuel A. Diaz
Vice President, The U.S. Conference of Mayors
Mayor, City of Miami

On behalf of
The United States Conference of Mayors
and the City of Miami

Before the House Select Committee on Energy Independence
and Global Warming

Seattle, Washington

November 2, 2007

Thank you Mr. Chairman and members of the select committee for the opportunity to testify before you here today.

Although the issue of climate change presents a global challenge, in the United States it has prompted a local response. This is what America's mayors have done

You will hear from Mayor Nickels how through his leadership, 700 mayors in this country (including nearly 70 Florida cities) have signed the Mayor's Climate Protection Agreement pledging to reduce emissions in our cities to pre-1990 levels. We have in effect have implemented the Kyoto Protocol in our cities.

In Miami, we are especially susceptible to the effects of climate change. The same geographic location that gives us year round sunshine also places us in the midst of "Hurricane Alley." Most of Miami is on average only 6 feet above sea level. And we are the only major U.S. city bordered by 2 national parks: Biscayne Bay on one side, the Everglades on the other. Any change in global climate has the possibility of negatively affecting where we live, possibly flooding our city, and eroding our natural resources.

Miami is responding to this challenge through a climate action plan, our blueprint toward sustainability. Through this plan, municipal government is changing the way it does business, placing environmental consciousness into every decision we make.

We have started by changing our city fleet. We currently have over 150 flex fuel vehicles and are in the process of converting our entire fleet to hybrids or other fuel efficient vehicles by the year 2012.

Last year I traded my City issued SUV for a hybrid. I have doubled my fuel economy, cut my gas consumption in half, cut greenhouse gas emissions by 40 tons, and I have saved taxpayers twice the amount of fuel costs for just one car. Just imagine how these savings can exponentially multiply when the city fleet goes hybrid.

Miami is home to the first LEED pre-certified green building in the state of Florida, the Brickell Financial Centre. Our new zoning ordinance will require all buildings over 50,000 square feet to be built green. We are training over 20 of our city employees to be LEED certified so that we can understand the process, and make it easier for builders to use it. And we are creating an expedited building permit process for green buildings. Speaking of green buildings, our city hall is currently undergoing greening including the installation of solar panels and a roof garden.

Currently, there is $2 billion worth of green construction taking place in the City of Miami. The message is simple, you either build green, or you don't build at all.

Government is leading by example, and we are also coming up with ways to green all of our existing and future municipal buildings. And we have created a Green

Procurement Ordinance so the City's purchasing power is used to create a market for green and eco friendly products.

In a city where hurricanes and other forces have depleted our tree cover, canopy replacement is an issue of concern. We now have a tree master plan to increase the city wide tree canopy 30% by 2020. Our goal is to have 10,000 trees per year. We have a city arborist and are planting native species that provide ground cover, convert noxious gases to oxygen, and lower ground temperatures. Already, we have planted 5,000 trees this year and I am proud that for the first time ever, Miami has been named a Tree City USA.

We have also taken the ultimate step toward sustainability by increasing the density of our city, because bringing people back to the urban core is the ultimate antidote to suburban sprawl.

Next year, for the first time in history, over half of the world's people will live in cities. And, given predictions that a large majority of the world's future population will live in urban settings, with the United States currently having nearly 90% of its population in cities, the single most critical action we can take to help save our planet is to embrace smart growth, to design cities that make sense.

In Miami, way before there was a Climate Protection Agreement or a Kyoto Protocol, we decided to embrace smart growth on a scale never before seen in any major U.S. city - and this is the cornerstone of our Miami 21 project.

Miami 21 is rooted in the belief of the power of traditional neighborhoods to restore the functions of sustainable cities. It strives to achieve a unique sense of community and place, challenging old assumptions in urban planning by providing an alternative to urban sprawl, traffic congestion, disconnected neighborhoods, and urban decay.

For far too long, cities have been planned around cars and not people. Government policies have invested in sprawl by encouraging the use of cars. Instead, we need government policies that make it less convenient to rely on the automobile. Miami 21 achieves that.

Miami 21 brings sustainability through design. It re-imagines Miami in a way that makes sense to pedestrians, so our city is no longer subservient to cars. It will also offer transportation alternatives, including a return to streetcars like the ones Miami had several decades ago.

The idea is to make the city pedestrian friendly by building and designing around people, offering them great shared spaces of civic pride, so they may work, live, and play all within walking distance.

Finally, we recognize that while individuals want to take the initiative in reducing their carbon footprint, they often do not know how. This is why we have an outreach and

awareness campaign, starting with something we call one person, ten steps, ten tons. It is exactly what it sounds like, how one person can reduce their carbon footprint by 10 tons through ten easy steps. Common sense things like switching from incandescent to compact fluorescent bulbs, insulating your water heater, regulating the thermostat on your air conditioner, simple things that every single person can do to make a big difference.

Mayors are in a perfect position to act at the grass roots level – to interact with our business community and our citizens to change business practices as well as human behavior. As you can see, local government is acting. But local government cannot and should not act alone.

If we are to ameliorate the impact of climate change, there needs to be a multi-faceted and comprehensive approach, involving all levels of government. This is especially true when local governments are facing increased budgetary constraints and are being asked to do a lot more with much less.

The Conference of Mayors has called on Congress to provide local governments with the necessary resources to develop and implement comprehensive energy efficiency plans.

In both versions of the Energy Bill that were passed by the House and Senate, there is a provision called the Energy Efficiency Block Grant, the EEBG, whose passage is a top priority of the Conference of Mayors.

The Energy Efficiency Block Grant would provide local governments with the needed resources to develop and implement comprehensive energy efficiency strategies for our communities. Many of the activities that we have been implementing – energy efficient buildings, energy retrofits, and weatherization programs - would be eligible activities.

It is our understanding that House and Senate members and staff are in negotiations, trying to work out the differences in the energy bills including the block grant proposal. On behalf of the Conference, I would like to thank Congressman Albert Wynn of Maryland for spearheading our EEBG efforts on the House side.

We support many aspects of the House version including:

- Planning grants that will help us fully develop our energy efficiency strategies with goals and accountability;
- Formulas that utilize daytime and residential population to determine where people live or work which translates to where energy is being used;
- An authorization amount that will also hopefully be fully appropriated; and,

- A list of eligible activities that that will help guide the Department of Energy as they develop this program.

I would like to strongly urge to move forward in these negotiations and get this important piece of legislation passed. Every delay makes all of our efforts more difficult.

Let me leave you with an ancient Native American saying: "we do not inherit the earth from our ancestors, we borrow it from our children."

I want to thank you for joining America's mayors, working with us to make the world we leave our children and grandchildren much better than the one left to us.

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Mr. INSLEE. Thank you, and it is a fine day for the Pied Piper.

STATEMENT OF THE HON. GREG NICKELS, MAYOR OF SEATTLE, WASHINGTON

Mayor NICKELS. Chairman Inslee, Ranking Member Sensenbrenner, Mr. Walden, Mr. Dicks, Mr. McDermott, welcome to Seattle. I am very proud to have you here today. Particularly Mr. Sensenbrenner, Mr. Walden, thank you for making the trip out here, and hopefully you'll spend lots of money while you're here and enjoy our sunshine.

You're coming at a very exciting time for us. In the last two days, as you heard, over 100 mayors gathered here to talk about this issue of local leadership on greenhouse gas emissions and how we can accelerate that local leadership into action.

I've submitted significant comments in writing to you. I'm not going to read that to you, but I'd like to make some brief comments to you orally.

Seattle's very excited about this issue and in sharing our experience with you on how we have increased energy efficiency, how we use renewable energy, and how we have reduced our greenhouse gas emissions in the city.

We've heard in the last couple of days from former President Bill Clinton who talked about the work of the Clinton Climate Initiative and who announced a purchase consortium that cities will be able to join to buy energy-efficient products at low prices, very similar to the work that the Clinton Foundation did on HIV AIDS.

We heard messages of optimism and hope around the green revolution from former Vice President and now Nobel Prize winner Al Gore, from noted Canadian journalist and scientist David Suzuki, and Jerome Ringo of the Apollo Alliance.

I think most importantly we learned from one another what our cities are doing, the results we're having, and how we can inspire our communities to do even more.

It's important that cities are involved in this effort, and that's because for the first time in human history more people live within cities than do not, and as the engines of our national economies, we consume about three-quarters of the energy that is consumed on this planet, and obviously it's the burning of fossil fuels that is causing the greenhouse gas pollution that is threatening our planet.

There are people who would look at cities and say, "You're the problem." I would suggest that you look at the cities and see us as the solution to this problem.

In February of 2005, after a period of time that we called snowless in Seattle, when the snow pack in the Cascade Mountains was at 1.1 percent of normal, which meant no ski season, which Mr. Walden knows is a tragedy in the Northwest, but more than that, for Seattle, we rely on 100-year-old systems to capture that snow as it melts and use it for water and use it for power, and we were doing such drastic things as urging people to shower together.

On February 16th of 2005, I challenged the people of Seattle to meet or beat the reductions called for in the Kyoto protocol, but recognizing that if it were only Seattle, it's purely symbolic, and it's hard to ask people to take tough action for purely symbolic reasons.

I challenged my fellow mayors to join with me.

For the United States, that reduction would mean a seven percent reduction from 1990 levels by 2012.

Today, more than two years later, I'm pleased to say, as was mentioned, that 728 mayors have taken this up, and they have agreed to take local action to try and achieve those same reductions.

They represent one in four people who live in the United States of America.

In Seattle, we decided to try and lead by example. The City government has reduced its emissions by 60 percent from 1990 levels. We have measured our community-wide emissions, and we've reduced our community-wide emissions by eight percent from 1990 levels, so we have, in fact, met the targets set out in the Kyoto Treaty.

Now, if we do nothing more, we will not maintain that because growth in population and growth in the emissions of our transportation system mean that we would begin to creep back up, but we are committed to continuing to take action to reduce our emissions.

It's a remarkable milestone, but it is a first step, and obviously we need to go far beyond what Kyoto calls for.

You've all said—we've all said it's not a perfect treaty, and in fact it's only a first step, and we can lead at the local level, we can achieve this reduction we believe is called for in Kyoto, but it's going to take national leadership. It's going to take a national will to move forward for us to reach the levels we have to to protect the climate for our children and our children's children, and that's why we think that the energy block grant is important. That's why we think that whether it's a cap and trade system or a carbon tax, it is important that our federal government stand up and help lead this effort, this global effort.

Thank you.

[The statement of Mayor Nickels follows:]

TESTIMONY OF SEATTLE MAYOR GREG NICKELS
BEFORE THE HOUSE SELECT COMMITTEE ON ENERGY INDEPENDENCE AND GLOBAL WARMING
NOVEMBER 2, 2007 HEARING
BRIGHT LIGHTS OF THE CITIES:
PATHWAYS TO A CLEAN ENERGY FUTURE

Introduction

Congressman Inslee, Ranking Member Sensenbrenner, and members of the Committee, my name is Greg Nickels, Mayor of Seattle and welcome to my beautiful city, Seattle. I am pleased that you all took the time out of your schedule to fly across the country to hold this hearing. I hope you are as excited as I am to hear from America's Mayors about efforts they are making to increase energy efficiency, use renewable energy, and to reduce greenhouse gas emissions. This has been a very exciting two-day USCM Climate Protection Summit and having this hearing is the perfect ending to this extraordinary event.

During the summit, we heard from former President Bill Clinton who discussed the work of the Clinton Climate Initiative and announced a purchasing consortium that cities can participate in, allowing them to buy energy efficient products at low prices.

We heard from former Vice President Al Gore, winner of the 2008 Nobel Peace Prize, who discussed the work of the Alliance for Climate Protection and took questions from mayors.

We heard from Jerome Ringo of the Apollo Alliance and Van Jones of the Ella Baker Center for Human Rights, who are spreading a message of optimism and hope around the economic possibilities of the green revolution through the green jobs movement.

We heard from David Suzuki, noted Canadian environmentalist, who has been at the forefront of the environmental movement for the past 30 years.

And, most importantly, we heard from one another and the great things happening in our communities.

Why should cities care about climate change? Because today for the first time in human history more than half of the world's population lives in cities. As engines of the world's economy cities, are responsible for two-thirds of the greenhouse gas emissions worldwide.

Some might look at that and say "cities are the problem." I look at it and say "cities are the solution."

I'm proud to say that while Seattle does not stand alone in this effort, we are leading in several important areas. Our work to fight global warming spans decades. A new inventory of Seattle's greenhouse gas emissions shows we are meeting our Kyoto Treaty targets, which means reducing climate pollution to seven percent below 1990 levels by 2012. As of 2005, the benchmark year of the study, Seattle produced eight percent less carbon dioxide and other gasses than we did 15 years ago.

The success was a community effort, and conservation made a big difference. Energy use by homes, businesses and industries actually decreased since 1990. Climate-friendly policies at City Light, the nation's first carbon-neutral utility, further shrunk the city's carbon footprint.

It is a remarkable milestone. But it is only the first step on a much longer journey. We are showing that as one city, it is possible to make a difference. And as other cities tally similar successes, we will have a profound impact on the future of our world.

US Mayors Climate Protection Agreement

What this summit shows is that there is real energy in America's communities to address our Nation's energy future. Over 700 mayors across the country have signed on to the U.S. Mayors Climate Protection Agreement[1] that I initiated, along with eight other mayors, just over two and a half years ago. I would like to say a special thanks to those eight mayors: Rosemarie Ives, Mayor of Redmond, WA; RT Rybak, Mayor of Minneaopolis; Gavin Newsom, Mayor of San Francisco; Tom Potter, Mayor of Portland, OR; Rocky Anderson, Mayor of Salt Lake City, UT; Mark Ruzzin, Mayor of Boulder, CO; Pam O'Conner, Mayor of Santa Monica, CA; and Peter Clavelle, Mayor of Burlington, VT.

These 700 mayors who have signed the agreement represent over 74 million people – about a quarter of the US population – in all 50 states, plus the District of Columbia. They are Democrats, Republicans, and Independents. They are leaders of some of our biggest cities and smallest towns – from Kansas City, Missouri and Waukesha, Wisconsin to Bend, Oregon and Franklin, Tennessee.

Like most economic and environmental issues, climate disruption does not follow geographic or political boundaries. Its impacts affect us all and the opportunities that global warming solutions present are open to all. That's why the U.S. Mayors Climate Agreement has resonated across the country, regardless of where cities are on the map, and where mayors sit on the political spectrum. That's why Republican mayors from

[1] See Attachment A: Resolution Endorsing the US Mayors Climate Protection Agreement. The resolution can also be found at: http://www.usmayors.org/uscm/resolutions/73rd_conference/env_04.asp

cities such as San Diego, CA; Bellevue, NE; and Arlington, TX have joined Democratic mayors in this effort.

In signing the Agreement, these over 700 mayors[2] are pledging to take local action to significantly reduce greenhouse gas emissions in their own communities. Cities across our nation are pledging support for bipartisan greenhouse gas reduction legislation that includes 1) clear timetables and emissions limits and 2) a flexible, market-based system of tradable allowances among emitting industries.

Why are a growing number of mayors and communities making global warming a local priority? There are three key reasons.

First, we're increasingly concerned about local impacts, not only on our urban environments, but on our economies and overall quality-of-life. We are the first responders to emergencies and we will feel the most immediate effects of rising seas, more fires, more unpredictable weather patterns. In Washington State, we are already beginning to see some of the impacts of global climate disruption in the Cascade Mountains, where changing snow melts and shrinking glaciers threaten our major source of water and electricity.

Second, we're excited about the economic opportunities presented by this challenge to make our cities more climate-friendly – opportunities for our families and businesses to save money through increased efficiencies, and opportunities for our companies to create jobs and revenues by inventing and producing cleaner energy sources and technologies. In the Seattle area, for example, green building and biodiesel production already are emerging as strong and growing sectors of our economy.

Third, we feel a strong sense of responsibility. A large percentage of the world's energy – something on the order of 75% -- is consumed in or by the world's cities. So we can't solve global warming without making our cities significantly more energy-efficient and less dependent on fossil fuels. And cities have the greatest opportunity, and therefore the greatest responsibility, to change our development patterns to reduce dependence on single occupancy vehicle travel and therefore ultimately have the greatest impact on greenhouse gas emissions. Cities are on the critical pathway to a global solution. And American cities, in particular – among the wealthiest on Earth – have a responsibility to lead the way.

Seattle's Experience

That's why in February of 2005 – a year in which we were nearly "snowless in Seattle" – I challenged my own community to meet or beat the climate pollution-cutting goal of the Kyoto Protocol, and invited my fellow mayors across the country to do the same. In the longer term, I believe much deeper cuts are necessary. But I wanted to challenge the government and the community to make significant cuts in the short-term, on my watch as mayor: seven percent reductions from 1990 levels by 2012.

[2] See Attachment B: Map of the Participating Cities. The map is updated at: http://usmayors.org/climateprotection/ClimateChange.asp

By that time, we already had reduced our **city government** emissions by about 60 percent from 1990 levels, thanks in large part to the efforts of our publicly owned utility – Seattle City Light – to make itself the nation's first "climate-neutral" utility. It has achieved this through conservation, using renewable energy resources and investing in offset projects that lower our city's carbon footprint, encourage new business opportunities and improve local air quality.

City Light has taken a host of actions to reduce its carbon footprint. In 2002, it became one of the first utilities in the region to invest in wind power, using it to replace fossil generation. Today, the rest of the region is following our lead with more than 1500 megawatts of new wind capacity and about 4500 megawatts in development.

Seattle City Light also spends $20 million per year and has spent $340 million since 1990 on energy conservation. Seattle actually spends more dollars per customer on conservation than any **state** in the US. The result of this conservation investment is 5 million tons of avoided CO2 emissions from conservation since 1990, while saving customers $63 million each year. Our region is a conservation leader as well. Utilities avoided building 3100 megawatts of new power through aggressive conservation. Had the region built power plants rather than conserved, emission would be double what they are today.

City Light has taken other action as well. City Light has been working with the Port of Seattle and the cruise ship industry to connect ships to electric power while in port rather than burn diesel and is working to expand this effort. We have launched a biodiesel program that pays for the use of this cleaner fuel in local buses, Washington State ferries and city trucks.

Seattle is also a pioneer in the adoption of Green Building standards. In 2000, Seattle became the first city in the US to formally adopt a LEED-based sustainable building policy. The US Green Building Council now cites 90 local governments using LEED as guidance for capital facility development. The City of Seattle leads the nation in local government ownership of LEED certified buildings owning ten LEED certified buildings (5 Gold; 3 Silver; 2 Certified; one project is located outside City limits); 4 projects pending LEED certification, 3 under construction, 10 in design and 10 in planning.

This early investment in the city in green building technology has stimulated a stronger, private green building market in the city. The private sector quickly recognized the value of building green, with projects such as Touchstone's Life Science building at 9th & Stewart, and Vulcan's Bioscience Research project at 307 Westlake and its mixed-use building, Alley 24. Seattle boasts the highest concentration of LEED Accredited Professionals in the nation, including over 160 City staff and nationally recognized experts in government policy development, consulting, design and development.

We also have a comprehensive green fleet initiative at the city. By the end of 2005, fuel use in the city fleet was down from 7.6 percent compared 1999. The city decreased its

petroleum fuel use during this period by 12 percent. The average annual percentage of clean green compact vehicles purchased for the city was 78 percent. We are also taking steps to reduce idling, continue reducing petroleum fuel use, and increase the number of clean and green vehicle in our fleet.

And just last week (October 24), the City of Seattle, the Port of Seattle, King County, and the Puget Sound Clean Air Agency with funding and technical assistance from the US Department of Energy Idaho National Laboratory announced that we will be converting thirteen existing Priuses to plug-in hybrids. As a part of this announcement, the agencies agreed to track usage in an urban setting, thereby providing real world data on how these plug-in vehicles perform under real driving experiences.

But despite our success as a city government, we saw that community-wide emissions were rising dramatically, driven in large part by motor vehicle emissions. So we turned our attention to shrinking the community's "carbon footprint." We established a Green Ribbon Commission on Climate Protection consisting of about 20 of our community's most-respected leaders and experts. It was co-chaired by Denis Hayes, the president of the Bullitt Foundation and founder of Earth Day, and Orrin Smith, the now-retired CEO of the Starbucks Coffee Company. And it includes the president of the board of REI, Inc., the three-time US EPA Administrator, Bill Ruckelshaus, and many other leaders from the business, government, and nonprofit sectors.

The commission spent a year poring over data and reviewing best practices from around the world. Their work culminated in the Seattle Climate Action Plan, which I released in September 2006.[3] This is a blueprint for significantly reducing greenhouse gas emissions in our community. It features a variety of strategies for reducing car-dependence in Seattle, increasing fuel efficiency and the use of biofuels, and improving energy efficiency and the use of renewable energy sources.

We've also created the Seattle Climate Partnership, a voluntary pact among Seattle-area employers to assess and reduce their own carbon footprints, and to come together to help meet our community-wide goals. Thirty employers have joined the Partnership already, including Starbucks, REI, the Port of Seattle, the University of Washington, GroupHealth Cooperative, the Fred Hutchinson Cancer Research Center and the Greater Seattle Chamber of Commerce.

And just this September, I was joined by community and business leaders as we launched Seattle Climate Action Now (www.seattlecan.org), a grassroots campaign to encourage everyone in Seattle to reduce global warming pollution at home, on the road and in their neighborhoods.

Sponsored by the city of Seattle with the support of community groups, nonprofit organizations and businesses, Seattle Climate Action Now will help people make smart

[3] The full report is titled: *Seattle, a Climate of Change: Meeting the Kyoto Challenge-Climate Action Plan*, September 2006. The Executive Summary and the full report can be found at: http://www.seattle.gov/climate/.

choices to protect the city and the planet from the threat of climate change. Partners include high-profile companies, such as Starbucks, Nordstrom and Bartell Drugs, and community groups, such as Sustainable Ballard and the Cascade Bicycle Club. Using online resources and community events, the public awareness campaign will connect people across the street and across the city to make a difference for the future of our environment.

In addition to the activities we are undertaking in Seattle, the State of Washington is also taking action on climate. In February 2007, Governor Gregoire issued an executive order that sets emissions reduction goals – goals ultimately adopted by the state legislature. Through the work of the Gregoire Administration, the state is actively working on recommendations to achieve the emissions reduction goals by harnessing input from over 200 individuals representing nearly as many stakeholders from local governments, faith, community and environmental organizations, and businesses. The recommendations are due in February 2008. My administration has actively supported State action and we are key participants in the stakeholder process.

In March of this year, Governor Gregoire, along with four other western governors, kicked off a regional collaboration to set a regional goal and design a market-based path to get there. With the goal set, the recommendations for creating the multi-sector market-based mechanisms needed to reach them are expected in August 2008. What started with five states, the Western Regional Climate Action Initiative now includes an additional state and two Canadian provinces with many other states and Mexican and Canadian governments participating as "observers."

Seattle and Washington State does all this because our citizens are demanding it. They expect leadership from their elected officials, their business leaders and their public power agencies to step up to this tremendous challenge we all face.

However, while voluntary actions by cities or state mandates are important, what we really need is federal leadership. Not just because it is the most powerful way to confront this problem but also because it will allow us to achieve the most reductions for the least costs to our economy.

Energy Bill

What makes the energy bill currently pending before Congress so exciting is the many tools that it includes for local governments. I am honored to serve the United States Conference of Mayors as Advisory Board Chair and I am also co-chair of the USCM Climate Change Task Force. I am pleased that the U.S. Conference of Mayors has been the leading local government organization on the issue of climate change and the USCM has been in the forefront of supporting key provision of the energy bill. As my friends Mayor Palmer and Diaz have already mentioned, the energy bill includes two significant provisions: The Energy Efficiency Block Grant and the "Green Jobs" Act.

The U.S. Conference of Mayors led by Mayor Douglas Palmer of Trenton, New Jersey, released its *10-Point Plan, for Strong Cities, Strong Families, for a Strong America* at our

75th Winter Meeting.[4] In our 10-Point Plan, the nation's mayors have made action on federal climate legislation our lead issue, including the creation of an Energy and Environmental Block Grant initiative, modeled after the very successful Community Development Block Grant program. I would like to echo the comments of Mayor Diaz in support of this legislation.

The Green Jobs Act, sponsored by Congresswoman Solis, is also an important part of this legislation. This bill will help to train American workers for jobs in renewable energy and energy efficiency industries. Mayor Palmer earlier spoke very eloquently about this issue, outlining the US Conference of Mayors support for this provision of the energy bill.

During the June Annual Meeting of the USCM, Mayors unanimously passed the US Mayors Federal Climate Policy Framework.[5] This framework outlined several key policies that the federal government should pursue to reduce greenhouse gases. Some of these policies include:

- developing alternative fuels and vehicles, such as bio-fuels and plug-in hybrids
- significantly increasing average fuel efficiency of the entire U.S. fleet in the near-term
- funding and implementing widespread efficiency and conservation efforts and making resources available to municipalities to carry out local conservation programs
- aggressively promoting energy-efficient technologies and significantly increasing the energy efficiency of the built environments
- funding research that will identify in greater detail the most likely local effects of climate change

The pending energy bill includes many provisions that directly address what was called for in the framework. I would like to highlight a few of those provisions below.

The Renewable Energy and Energy Conservation Tax Package
The House bill includes an energy tax package that has many important long-term tax incentives for renewable energy development and increasing investment in energy efficiency. In particular, we are supportive of the reauthorization of the Clean Renewable Energy Bond program, sponsored by Congressman McDermott of Seattle. This bill also creates new tax credit bonds that will fund innovative projects for energy conservation and efficiency, including providing low interest loans and grants for increased energy efficiency in homes and properties. The inclusion of a tax package in the final conference report is critical to the ensuring that local governments and others have access to tax incentives that will lead to increased investment in renewable energy and energy efficiency.

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[4] A copy of *10-Point Plan, for Strong Cities, Strong Families, for a Strong America* can be found at: http://usmayors.org/uscm/news/press_releases/documents/10-PointPlan.pdf
[5] See Attachment D: Endorsing the US Mayors Federal Climate Policy Framework. The Resolution can also be found at: http://usmayors.org/uscm/resolutions/75th_conference/environment_05.asp

Appliance Standards
Both the House and Senate bills include six energy efficiency standards and measures to enhance the Energy Department's ability to create standards which maximize cost-effective energy savings. Appliance use is a key component of home energy consumption. New and enhanced energy and water appliance efficiency standards will support energy efficiency goals and emissions reduction efforts established in the Seattle Climate Action Plan.

Global Change Research and Data Management
The House bill also authorizes the US Global Climate Research program to provide information to help us understand the potential impacts of climate change on both regional and global scales and to provide information that will allow federal, state, and local governments to adapt and respond to the effects of climate change. This information is critically important to local governments that operate water systems so that we can plan for future water availability and use. The ongoing drought in the Southeast only heightens the importance of these provisions. In addition, the Pacific Northwest hydropower system is particularly vulnerable to climate change and this title will encourage research around these important systems.

Federal Climate Policy
But the energy bill is only the first step. Congress needs to move quickly to adopt meaningful carbon policies – ideally through a broad-based cap and trading program to reduce this country's greenhouse gas emissions. This will harness market forces and allow the powerful engine of our economy to find the most innovative and cost-effective solutions to this global challenge.

I'd like to thank Congressman Inslee for taking the lead and introducing his New Apollo Energy Act. His bill includes energy- efficiency and fuel-efficiency standards; a federal standard for renewable energy in the electricity mix; an American cap and trade program to limit greenhouse-gas emissions; increased funding for research and development of green technologies; and, tax incentives for consumers, industries and utilities, among others. I applaud Congressman Inslee's longstanding leadership on energy independence and climate change.

I also am happy to see that the Senate Environment and Public Works Committee, under the leadership of Senator Barbara Boxer, is currently reviewing Senator Joe Lieberman and Senator John Warner's climate change legislation, America's Climate Security Act (S. 2191). While I recognize that this legislation is a work in progress, I am pleased that real discussions are happening on climate legislation. We have waited far too long for Congress to take action.

The framework I mentioned earlier endorses aggressive greenhouse gas reduction targets of 80 percent from 1990 levels by 2050 as the necessary and appropriate goal for our nation and the long-term target which our individual communities also should strive. The framework supports a national program that:

- Covers multiple sectors of the economy
- Includes flexibility mechanisms to foster creative approaches, allow for least-cost means of achieving the cap, and guards against spikes in the price of carbon
- Recognizes that different regions of the country will be affected differently from the design of a cap and trade system
- Rewards energy efficiency, renewable energy, innovative energy technologies and early actors

For instance, the choice of design for any cap and trade system will have a significant impact on the Pacific Northwest. The Pacific Northwest, which includes Washington, Oregon and Idaho, is overwhelmingly dependent upon hydropower, and Seattle City Light is 90 percent hydro dependent. No other power source is more vulnerable to the consequences of climate change than hydropower and the predicted disruption are among the greatest planning risks we face in ensuring that we can keep the lights on. A cap and trade system focused on historic emissions will mean that most utilities in the Pacific Northwest will be left out of the system in the electrical sector. The system should recognize the leadership from regions, like the Northwest, that have invested in hydropower, new renewable power and aggressive energy conservation.

Congress should also recognize that there are significant economic costs associated with inaction. These costs may be harder to measure, but could easily exceed any costs associated with imposing limits on greenhouse gas emissions.

We believe that now is the time for federal action on energy independence and climate change. We also believe that any federal climate policy must recognize that most of the solutions holding the greatest promise for reversing the trends of global climate change are those that must be implement at the local level. Our communities will need regulatory, technical, and financial support to move our bold vision from potential to a reality.

Mayors from across the United States look forward to working with you on this challenge. Thank you again for coming to Seattle, and for the opportunity to testify before your committee.

Attachment A: Resolution Endorsing the US Mayors Climate Protection Agreement

2005 ADOPTED RESOLUTIONS

ENVIRONMENT

ENDORSING THE U.S. MAYORS CLIMATE PROTECTION AGREEMENT

WHEREAS, the U.S. Conference of Mayors has previously adopted strong policy resolutions calling for cities, communities and the federal government to take actions to reduce global warming pollution; and

WHEREAS, the Inter-Governmental Panel on Climate Change (IPCC), the international community's most respected assemblage of scientists, has found that climate disruption is a reality and that human activities are largely responsible for increasing concentrations of global warming pollution; and

WHEREAS, recent, well-documented impacts of climate disruption include average global sea level increases of four to eight inches during the 20th century; a 40 percent decline in Arctic sea-ice thickness; and nine of the ten hottest years on record occurring in the past decade; and

WHEREAS, climate disruption of the magnitude now predicted by the scientific community will cause extremely costly disruption of human and natural systems throughout the world including: increased risk of floods or droughts; sealevel rises that interact with coastal storms to erode beaches, inundate land, and damage structures; more frequent and extreme heat waves; more frequent and greater concentrations of smog; and

WHEREAS, on February 16, 2005, the Kyoto Protocol, an international agreement to address climate disruption, went into effect in the 141 countries that have ratified it to date; 38 of those countries are now legally required to reduce greenhouse gas emissions on average 5.2 percent below 1990 levels by 2012; and

WHEREAS, the United States of America, with less than five percent of the world's population, is responsible for producing approximately 25 percent of the world's global warming pollutants; and

WHEREAS, the Kyoto Protocol emissions reduction target for the U.S. would have been 7 percent below 1990 levels by 2012; and

WHEREAS, many leading US companies that have adopted greenhouse gas reduction programs to demonstrate corporate social responsibility have also publicly expressed preference for the US to adopt precise and mandatory emissions targets and timetables as a means by which to remain competitive in the international marketplace, to mitigate financial risk and to promote sound investment decisions; and

WHEREAS, state and local governments throughout the United States are adopting emission

reduction targets and programs and that this leadership is bipartisan, coming from Republican and Democratic governors and mayors alike; and

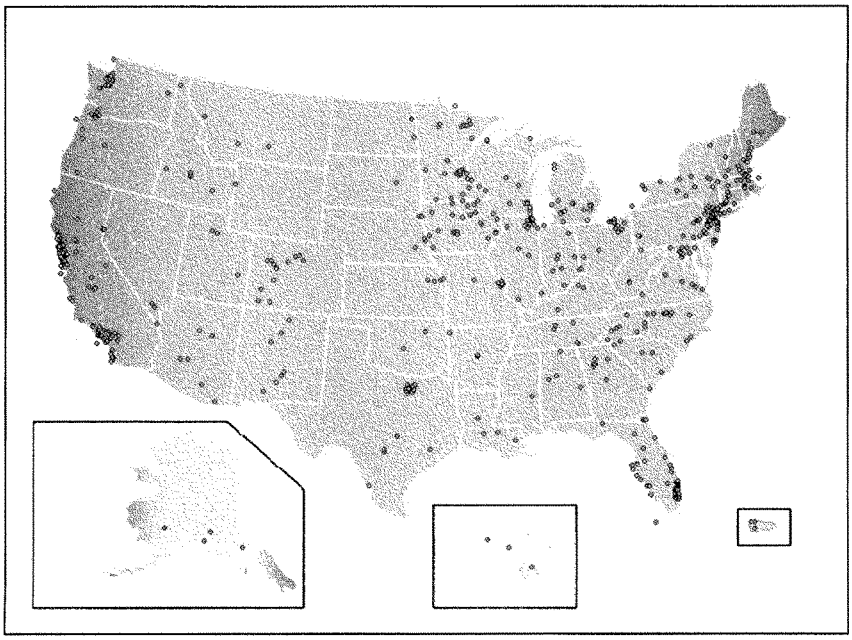
WHEREAS, many cities throughout the nation, both large and small, are reducing global warming pollutants through programs that provide economic and quality of life benefits such as reduced energy bills, green space preservation, air quality improvements, reduced traffic congestion, improved transportation choices, and economic development and job creation through energy conservation and new energy technologies; and

WHEREAS, mayors from around the nation have signed the U.S. Mayors Climate Protection Agreement which, as amended at the 73rd Annual U.S. Conference of Mayors meeting, reads: The U.S. Mayors Climate Protection Agreement D. We urge the federal government and state governments to enact policies and programs to meet or beat the target of reducing global warming pollution levels to 7 percent below 1990 levels by 2012, including efforts to: reduce the United States' dependence on fossil fuels and accelerate the development of clean, economical energy resources and fuel-efficient technologies such as conservation, methane recovery for energy generation, waste to energy, wind and solar energy, fuel cells, efficient motor vehicles, and biofuels; E. We urge the U.S. Congress to pass bipartisan greenhouse gas reduction legislation that includes 1) clear timetables and emissions limits and 2) a flexible, market-based system of tradable allowances among emitting industries; and F. We will strive to meet or exceed Kyoto Protocol targets for reducing global warming pollution by taking actions in our own operations and communities such as: 1. Inventory global warming emissions in City operations and in the community, set reduction targets and create an action plan. 2. Adopt and enforce land-use policies that reduce sprawl, preserve open space, and create compact, walkable urban communities; 3. Promote transportation options such as bicycle trails, commute trip reduction programs, incentives for car pooling and public transit; 4. Increase the use of clean, alternative energy by, for example, investing in "green tags", advocating for the development of renewable energy resources, recovering landfill methane for energy production, and supporting the use of waste to energy technology; 5. Make energy efficiency a priority through building code improvements, retrofitting city facilities with energy efficient lighting and urging employees to conserve energy and save money; 6. Purchase only Energy Star equipment and appliances for City use; 7. Practice and promote sustainable building practices using the U.S. Green Building Council's LEED program or a similar system; 8. Increase the average fuel efficiency of municipal fleet vehicles; reduce the number of vehicles; launch an employee education program including anti-idling messages; convert diesel vehicles to bio-diesel; 9. Evaluate opportunities to increase pump efficiency in water and wastewater systems; recover wastewater treatment methane for energy production; 10. Increase recycling rates in City operations and in the community; 11. Maintain healthy urban forests; promote tree planting to increase shading and to absorb CO_2; and 12. Help educate the public, schools, other jurisdictions, professional associations, business and industry about reducing global warming pollution.

NOW, THEREFORE, BE IT RESOLVED that The U.S. Conference of Mayors endorses the U.S. Mayors Climate Protection Agreement as amended by the 73rd annual U.S. Conference of Mayors meeting and urges mayors from around the nation to join this effort.

BE IT FURTHER RESOLVED, The U.S. Conference of Mayors will work in conjunction with ICLEI Local Governments for Sustainability and other appropriate organizations to track progress and implementation of the U.S. Mayors Climate Protection Agreement as amended by the 73rd annual U.S. Conference of Mayors meeting.

Atttachment B: Map of Cities Participating in the US Mayors Climate Protection Agreement



Attachment D: Resolution Endorsing the US Mayors Climate Policy Framework

Celebrating 75 Years

2007 ADOPTED RESOLUTIONS
ENVIRONMENT

ENDORSING THE U.S. MAYORS FEDERAL CLIMATE POLICY FRAMEWORK

WHEREAS, as evidenced by recent reports by the International Panel on Climate Change, the scientific consensus is increasingly clear that climate disruption is happening, that it is human-induced, and that we need strong, immediate and sustained action to avert the most severe environmental, health and economic impacts on our communities and nation; and

WHEREAS, cities must -- and do -- play a critical role in the fight against global warming, both as laboratories for climate solutions and as first responders to climate impacts;

WHEREAS, more than 500 mayors representing more than 65 million people across the country already have signed onto the U.S. Mayors Climate Protection Agreement, pledging to take local action to significantly reduce greenhouse gas emissions in their communities, and to support stronger federal policy and action, as well; and

WHEREAS, the U.S. Conference of Mayors has established a Mayors' Climate Protection Task Force and a Climate Protection Center to increase and support participation in the Agreement; and

WHEREAS, many other public and private institutions are taking similar action, through efforts such as the American College & University Presidents' Climate Commitment and the Cool Counties Initiative; and

WHEREAS, many states and cities are taking strong, collaborative action to reduce climate pollution through programs such as the Regional Greenhouse Gas Initiative (in which 11 Northeastern and Mid-Atlantic states are participating) and the Western Regional Climate Action Initiative (in which six western states are participating);

WHEREAS, the US Climate Action Partnership, whose members include Alcoa, BP America, Duke Energy, General Electric and Lehman Brothers, along with the Natural Resources Defense Council, environmental Defense and the Pew Center on Global Climate Change, has called on Congress to specify a target aimed at reducing emissions by 60 percent to 80 percent from current levels by 2050; and

WHEREAS, a growing number of economic studies, such as the 2007 Stern Report by British economist Sir Nicholas Stern, suggest that the costs of climate disruption to the global economy are likely to far exceed the costs of taking action to reduce the emissions that cause the problem;

WHEREAS, a Military Advisory Board of 11 retired admirals and generals released a study called "National Security and the Threat of Climate Change," which found climate change to be a "threat multiplier for instability in some of the most volatile regions of the world," creating breeding grounds for extremism and terrorism and found that climate change raised tensions even in stable regions and presented a serious national security threat that could affect Americans at home and impact US military operations; and

WHEREAS, while these and similar efforts make a difference and must continue, stronger federal policy and action is urgently necessary to avoid more severe environmental and economic impacts in our communities and nation, and to prepare for and respond to climate impacts; and

WHEREAS, to help guide federal policy and action, more than a dozen mayors around the nation developed a US Mayors' Federal Climate Policy Framework, which reads: The U.S. Mayors' Federal Climate Policy Framework Global climate disruption poses significant and urgent challenges to America's cities, ranging from increased strain on our water supply and storm water management systems to more frequent and dangerous weather events, and heat waves. At the same time, the transition to more climate-friendly technologies and development practices presents exciting economic opportunities for our communities -- and for the nation as-a-whole -- ranging from cost-savings for our families and businesses to new prospects for our companies and entrepreneurs. Meeting these challenges, and seizing these opportunities, is a shared responsibility -- a partnership. Success will require an unprecedented collaboration among all levels of government, as well as the private and nonprofit sectors -in the U.S. and around the world. We mayors are striving to do our part. We have signed the US Mayors Climate Protection Agreement, pledging not only to support strong state and federal climate protection policies, but to take direct action to significantly reduce greenhouse gas emissions in our own communities. And we are taking action. We are implementing climate-friendly land-use policies and investing in public transportation and bicycle and pedestrian infrastructure. We are aggressively promoting energy and water conservation and recycling. We are committing to climate-friendly building, fleet management and purchasing practices, in our governments and in our communities. We are educating and engaging our residents and our businesses. And much more. We need support from the federal government, in the form of a strong federal regulatory and policy framework, substantial research and development on climate-friendly technologies, and funding for cities striving both to reduce emissions and to manage the impacts of climate disruption on our infrastructure and communities. We call upon the 110th Congress and the Executive Branch of the federal government to partner with us to meet the global warming challenge, and to fully capitalize on the enormous opportunities inherent in the transition to a clean-energy, low-carbon economy. We ask you to make the issue one of your top priorities. Specifically, we call for action in these five areas: a. National reduction target and program We need a national target for greenhouse gas emissions reductions that will protect our communities from dangerous climate disruption: 80% reductions in greenhouse gas emissions by 2050, compared to 1990 levels. In addition, we need a market-based system that will help drive innovation and economic development in our communities. We support a national program that: achieves the target of 80% reductions by 2050; covers multiple sectors of the economy; includes flexibility mechanisms to foster creative approaches, allow for the least-cost means of achieving the cap, and guard against spikes in the price of carbon; recognizes that different regions of the country will be affected differently from the design of a cap and trade system; and rewards energy efficiency, renewable energy, innovative energy technologies (including research and development), and early-actors. b. Climate-Friendly Transportation and Land Use Policies We need federal transportation and land-use policies that will reduce air pollution and climate disruption in and around our cities; improve the health of those who live, work and play in our communities; and provide affordable mobility for our residents and businesses. We support climate-friendly transportation and land-use policies that: Promote compact, transit-, bicycle-, and pedestrian-friendly urban communities; Significantly increase average fuel efficiency of the entire U.S. fleet in the near-term; Aggressively support the development and use of renewable bio-based vehicle fuels and electric vehicles such as plug-in hybrids; Substantially reduce the number of miles that the U.S. fleet drives while making mobility more affordable, easier and more accessible; Increase public transit, bicycling and

walking opportunities; Significantly increase the overall efficiency of the entire U.S. transportation system-including airplanes, boats, railroad, buses, and trucks-for both people and goods. c. Climate-Friendly Energy Policies We need federal energy policies that will reduce air pollution and climate disruption in and around our cities, save our residents and businesses money by lowering energy costs, bolster local economic development by creating jobs and new business opportunities in our communities, and increase the reliability and safety of our energy infrastructure. We support climate-friendly energy policies and investments that: Fund and implement widespread efficiency and conservation efforts in all sectors and make resources available to municipalities to carry out local conservation programs; Aggressively promote energy-efficient technologies and significantly increase the energy efficiency of the built environment; and Substantially increase the production of renewable energy. d. Climate-Friendly Federal Government Facilities & Operations We mayors have found leadership-by-example on climate protection to be a very powerful tool, not only for reducing climate pollution in our cities, but also for saving money, accelerating local markets for climate-friendly products and services, and inspiring others to reduce emissions. The federal government must lead by example as well. We support policies and programs such as the following: Conduct a greenhouse gas emissions inventory of the Federal government's operations and facilities, set a reduction target, and track and report periodically on progress; Develop a federal procurement policy to ensure that all products purchased are as climate-friendly as possible; Transition federal vehicle fleets to highly fuel efficient and/or alternative fuel vehicles; Require that all new or remodeled federal buildings, including all building projects that receive federal funding, meet the American Institute of Architects' "2030 Challenge." e. Managing climate impacts on local communities While we must remain vigilant in our efforts to reduce global warming pollution, we also must prepare for the impacts of climate disruption that may occur -- and in some cases already are occurring -- in our cities. We need federal policies and funding that will enable local communities to identify their vulnerabilities in the face of the climate disruption, and that will support local efforts to minimize, prepare for and adapt to these impacts. Examples include: Fund research that will identify in greater detail the most likely local effects of climate change; Require that all long-range federal planning and projects- including planning for emergency response systems, transportation infrastructure, national security and so on- take climate change into full consideration; and Provide funding for efforts of local communities to adapt major infrastructure (such as water, sewer, transportation, and electricity) for climate change.

NOW, THEREFORE, BE IT RESOLVED, that the U.S. Conference of Mayors endorses 80 percent reduction in greenhouse gas emissions from 1990 levels by 2050 as the necessary and appropriate goal for our nation -- and the long-term target toward which our individual communities also should strive.

BE IT FURTHER RESOLVED, that the U.S. Conference endorses the US Mayors' Federal Climate Policy Framework, and urges the U.S. Congress and the federal government to incorporate this Framework into the development of all federal policies and programs on climate protection. Project Cost: Unknown

return to resolution index

Mr. INSLEE. Thank you.

The Chair will recognize himself for 5 minutes.

I wanted to ask Mayor Bloomberg about the position you espouse that we need some cost on carbon, that that's pivotal to this solution, and I agree with you in that regard. The more I've looked at this, the more that's absolutely pivotal to drive investment in these new technologies because we need new technologies to skin this cat.

I was asked—I was just on a radio show just a few minutes before we started here, and a fellow asked if this was a tax, and I suggested it really was not, that it was a charge for the use of a scarce resource, that the atmosphere is a scarce resource that we hold in common, and we allow polluting industries and ourselves now to put CO_2 in the atmosphere at no charge.

Now, you had some experience in the capitalist system, and my view is without charging for the right to put CO_2 into the atmosphere, it's a little like allowing a company to come up to a city park and dump their garbage in the city park or over your fence at no charge.

To me it's a rational thing, economically, to have limitations on CO_2 and to have an auction for permits in the most certain way we can to get as much certainty in the market as we can. You addressed that as well.

I just wondered if that's a fair assessment, and give me your thoughts, maybe in a little more depth, why we need a price on carbon.

Mayor BLOOMBERG. People are not going to stop doing something that is in their interest as long as it's in their interest, and if you were to have a fee, it is less in their interest, and presumably they would divert their resources elsewhere.

What I would suggest is you charge—you can call it a tax if you want. I know that's a word that—everybody runs away from the word "tax," but Americans aren't stupid. They understand that they are going to have to pay one way or another if they want progress, and I think if somebody looks them in the eye, they are not going to go and shoot you for saying, "I'm supporting this particular charge."

What I would do with the moneys, however, is I would divert a little bit to expand the R&D, and I would use the rest of it to reduce payroll taxes, so that the net tax effect on the public is less, but you would take it away from those handful of companies that pollute a lot. You would help everybody.

After all, more jobs are good, more pollution is bad, so charge people that are polluting and give the money to the people that are doing something good.

Let me give you another thought about cap and trade and other ways to describe it.

If you want to reduce, let's say, something bad, stolen automobiles in this country, what you have to do is—and you also covet your neighbor's automobile. Pay somebody who's a professional guy at stealing cars and ripping them up at the shop, pay him some money to not steal two cars and then go steal your neighbor's car.

Will you have reduced the number of cars stolen in America?

That's what cap and trade is. It's saying, "I'll still go and pollute, but I'll just pay somebody else to not pollute."

I think we should stop the pollution. You are not going to make any progress here.

Mr. INSLEE. I think your point is really important to fence in this idea of offsets.

I think you are referring to the offset model, and it is clear that if a cap and trade system is going to work, you are going to have to put limitations at least——

Mayor BLOOMBERG. Experience in Europe and in Australia and other places has been terrible.

It did work here in this country to reduce sulfur emissions, but that was a very small thing.

Overseas, it's cost companies billions of dollars that they didn't expect because they made investments, and it turned out that the price of carbon varied so much that their investments were poorly constructed, poorly made——

Mr. INSLEE. We found multiple errors in the European system that we intend not to replicate——

Mayor BLOOMBERG. I think most economists will tell you that rather than take one right—take three left turns, take one right turn.

You are going to find businesses coalescing around this idea because everybody understands the implementation of it would be so unfair, would have so much fighting about who gets special interest, and would not accomplish what everybody wants to get done here.

Mr. INSLEE. Gotcha.

I want to ask the other three mayors: Could you share surprises, learning experiences, both positives and negatives, things you thought were going to be hard that turned out relatively easy and the opposite?

Tell me about your learning experience that we should share on a federal level. What worked best? What did not work that you thought was going to work?

Mayor NICKELS. Mr. Chairman, I'll kick off with that.

First of all, when we embarked on the U.S. Mayors' climate protection agreement, we hoped against hope that we would sign up 141 cities, one for every country that had signed onto Kyoto.

The fact that we have 728, and they represent, literally, one in four Americans, to me is remarkable.

It means that this issue is well understood throughout the country and that the message that we need to take action at the local level, in the absence of federal leadership, is widely held.

All 50 states are represented in this agreement, and to me that was surprising.

I knew it would do well in Seattle, would do well in some other places, but it really has been something that people have been perceiving, and the fact that this is a different issue and different effort in different parts of the country I think is something that has become clear.

In Seattle, our electric utility, which we own, has zero net greenhouse gas emissions, none. We sold a coal plant, we have invested hundreds of millions of dollars in conservation, and we now emit

zero out of our electrical system, so we can turn the lights on in Seattle, and you are not toasting the planet.

That's a harder issue with other parts of the country that rely on coal and other fossil fuels, and we're going to have to find other ways of providing help in those places.

That's why the flexibility of the block grant is so important. Different answers are going to work in different parts of the country.

Mayor PALMER. I also think it's very important—as Mayor Nickels says, different cities are at different places than others.

Of course here in Seattle—Seattle has really been a mover, and through his leadership we've seen what's happened.

I'm from New Jersey. Governor Corzine has just implemented his reduction strategy, but quite frankly, we have to look at changing human behavior.

Each mayor in this room and across the country has the ability to make those changes because people look to us for leadership. We just don't have the luxury of picking and choosing what issues we want to deal with. We have to deal with all of them. We are the first responders.

This is a critically important issue to us, but we do recognize, you have to let everybody understand what's their piece of the pie, "What's it going to do for me?"

In neighborhoods where there are low-income people that are really paying high exorbitant costs for where they live for heating and fuel and those kinds of things, they may say, "Look, I'm worried about getting a job, I'm worried about my prescription drugs, and how does this help me?"

Well, that's why the energy block grant can help as well to give us resources. That's why mayors are not waiting and are doing those things that say, "This is how we can create green-collar careers," by looking at solar panels and putting solar panels on roofs, looking at ways in which we can install the compact florescent light bulbs by our senior citizens, creating jobs out of that.

One of the biggest challenges we're going to have, quite frankly, is telling all of our citizens, whether it's the business community, how you can really make money by going green, talking to people in low-income neighborhoods about how you can get jobs, so that's what we're doing.

That's one of the biggest challenges, and I think it's important that we show strong leadership not just by the mayors—we can't do it alone—but by what you're doing, the actions you are taking, being here, having these hearings.

We recognize you are coming here because we were here, and we appreciate that.

Moving forward on the energy environment block grant and strong leadership from the White House and from the next President is important so that all of our citizens can recognize this is something that's in the best interest of our national security and all of us.

I want to put into the record, and this can tell you—this is our climate protection strategy and practice guide that we'd like to have put into the record. It shows success stories that continue to happen each and every day from mayors in a real way.

Mr. INSLEE. Thank you.

Mr. Sensenbrenner.

Mr. SENSENBRENNER. Thank you very much, Mr. Chairman.

I think one of the reasons why the Kyoto Treaty was not ratified—as a matter of fact, President Clinton, even though he signed it, did not send it to the Senate for ratification because it was an unfair treaty, and the economic costs of compliance with Kyoto were not sustainable or politically acceptable.

Whether we're talking about a carbon tax directly or an indirect tax through buying carbon offset credits, we are talking about higher energy costs, and how do we prevent the outsourcing of jobs if we have significantly higher energy costs and countries like China and India don't?

Mayor Bloomberg, you said, "Forget about China and India." I really can't, because of that.

Can you respond to that?

Mayor BLOOMBERG. I think China and India come along not because of any pressure, other than the same thing that brought down the Iron Curtain. They will see on television, they will see from the Internet that other countries, hopefully America and Western Europe, can breathe clean air, and they will want it, and they will demand it from their own government.

No government exists without the will and the majority of the people. You are not going to force them to do it. They are going to demand it.

You'll see China start doing this with the Olympics, and all of a sudden the air is going to be an awful lot cleaner, and they are going to say, "I don't want to go back to what we had before."

Let me just say about the jobs, some things are energy dependent and some are not.

I just looked on my BlackBerry. Oil today closed at $96 a barrel. A few years ago it was $30 a barrel, and yet people really aren't driving less.

Some things they are going to spend the money on anyway, but if you could force people to choose between natural gas and coal, and if you could make natural gas cheaper than coal or coal more expensive than natural gas, power plants would change instantly because they are very price sensitive.

What we found in our society in the last five years is we are nowhere near as dependent on the cost of oil as we used to be.

If I told you five years ago oil was going to go from $30 a barrel to $90 a barrel and the stock market would be at record high, and we would have reasonably low unemployment and prospects——

Mr. SENSENBRENNER. I'd sell my Bloomberg stock if you said that——

Mayor BLOOMBERG. You would have sold everything, and the truth of the matter is our society uses a lot less oil.

The problem we have here is not the jobs, it is the impact on our environment, and while Kyoto was flawed—I'll tell you, Kyoto was worse than what you think because a lot of the countries that signed up never did anything, but I still don't know how to look, Congressman, the people of New York City in the eye and say, "We are going to go ahead and continue to pollute the air your kids breathe because on the other side of the world they're not willing"—it just doesn't make any sense.

Mr. SENSENBRENNER. Mayor, a year after Kyoto, the head of the energy information agency who was a direct appointee of President Clinton testified before the science committee that compliance with Kyoto would result in a 60 to 80 percent increase in the cost of energy, and he specifically referenced electricity, natural gas, and fueling.

Now, how do we sustain our economy with those kinds of increases, particularly with countries that are exempt like China and India?

I have less faith than you that the communist government in China is going to respond to the people and do all of these things.

Mayor BLOOMBERG. I just have enormous faith in America's competitiveness.

We are losing jobs and business overseas not because they are more attractive. It's because we are becoming less attractive.

China is building automobile manufacturing plants in Eastern Europe not because it's cheaper but because they have to have a better workforce and close to their market.

They don't have enough engineers, don't have enough trained people.

We have the great America machine. We are just holding it back.

Mr. SENSENBRENNER. But isn't the secret to dealing with this question advances in technology, because America is the most innovative country in the world, and we educate people who innovate, and this community is probably the best one in the——

Mayor BLOOMBERG. Congress, I am 100 percent with you, but we should have told you we cut the amount of R&D by two-thirds.

If you believe that, then let's get Congress to give us some money to do the inventions.

Mr. SENSENBRENNER. The R&D tax credit expires on December 31st. The House of Representatives has yet to act on a bill that extends the R&D tax credit.

That tax credit is the private sector incentive for R&D, not government handout but a private sector incentive.

Can we get you guys on board to do that because that's something we can do in the next eight weeks?

Mayor BLOOMBERG. I promise you our office will talk to your office on Monday and see what we can do to help get more R&D in this country.

I can just tell you R&D is leaving this country. Scientists don't want to work here, education is moving overseas, and three-quarters of IBM's employment is overseas today.

Just think about that.

Mr. SENSENBRENNER. Mayor, with all due respect, I'll be happy to talk to your office on Monday, but why don't you just go uptown and talk to Ways and Means Committee Chair Rangel because he's got the future of the R&D tax credit in his hand, and now——

Mayor BLOOMBERG. I talk to him every day. Thank you. I need you to come and work with me.

I'm on your side on a lot of these things.

Charlie is a good guy, but I don't agree with him on everything.

Mr. INSLEE. This is certainly worth the price of admission.

Thank you.

Mr. Walden.

Mr. WALDEN. Thank you, Mr. Inslee.

Mr. Mayor, I want to follow up on a comment you just made about converting energy production from natural gas to coal because I think most of us recognize the cost of capture, compression, sequestration is very high, and the science is not proven yet, and I fully concur with the notion we need to invest more in scientific research, but shifting to natural gas still produces carbon emissions, about a third what coal does, but somehow we look at natural gas sometimes as not producing carbon tonnage at all when, in fact, it does for electricity production.

I'm a little concerned about shifting to another one that produces two-thirds less but still produces, but the big issue is: Where do you get the natural gas?

Mayor BLOOMBERG. Well, the supply of natural gas worldwide is great, supply of wind is great.

There are a lot of different things you can do, but the issue is not to let the perfect get away—in the way of the good.

If you can go from coal to natural gas, that would make a very big difference. If you go to wind, that would make another big difference.

Plus, to solve all the electrical problems in this country, go to nuclear. That's what France has done, and more and more environmentalists are starting to come out in favor of nuclear power.

Mr. WALDEN. I appreciate you saying that because a lot of our colleagues in Congress are on the opposite side of that issue, as they are on the opposite side of LNG, compressed natural gas being brought in.

The energy bill we passed in 2005, we tried to expedite that process, so at least on the margin we can get natural gas in here, even though Alan Greenspan said, "You'll never bring in enough LNG to make a huge difference and replace natural gas."

We need to access that which is readily available here but often found in areas that we're not allowed to go into.

Do you think we ought to be able to go into those areas, in federal land, and gotten into in an environmentally sensitive way and get the natural gas out so we can then make the shift off of coal or do you think we——

Mayor BLOOMBERG. We have to make a decision: Do we want to import or do we want to generate it here?

If you generate it or dig it up or pump it here, it is going to be in places where some people don't think we should.

Can you do it and be environmentally responsible is the $64 question. People are skeptical that you can, but we have to make the choice. Do you want to import the oil or do you want to pump it here?

Mr. WALDEN. I'm talking about natural gas.

Mayor BLOOMBERG. Same thing with natural gas.

I am not opposed to opening up lands here.

I would require, if it were up to me, which it's not, that we had some real enforceable safeguards to protect the environment, but you can't have it both ways. You can't say, "I don't want to import gas or oil" and say, "I'm not going to do it here."

We are not about to turn off the lights. We can use less electricity for the lights, but we are still going to have an industrial society.

Mr. WALDEN. I appreciate that. I think you and I agree on that point.

Mayor Nickels, I bring you greetings from the receivers of your garbage. I mean that nicely. My district is—I have people at my district that contract or receive the solid waste from this area.

We actually appreciate that because it means jobs in a very remote area of my district, so I'm not being sarcastic even though some might have interpreted it that way.

I appreciate what you've done here in Seattle as well in this effort.

I do share concerns similar to those outlined by my colleague from Wisconsin though. As much as I'm an advocate for renewable energy, and my district is home to much of that, wind, geothermal, solar—we are working on an EERE system down in Lake County right now in an old Air Force installation.

I think it holds great potential, but what do we do—as I watch some of the testimony—I watched the ships go out of here and back over probably to China, and I think about the jobs that we have lost offshore, and part of the issue is energy costs, and so I'm hesitant about that, and I know that years ago—we're lucky in this region with hydro, but years ago the City of Seattle passed a resolution calling for the removal or breaching of Lower Snake River Dams which produces as much energy as we've conserved in the Northwest between 1978 and 2005.

Does the City of Seattle still support breaching the Lower Snake River Dams?

Mayor NICKELS. Congressman, that resolution was passed by the City Council before I became mayor, and you have not seen a repeat of that during my time as mayor.

We have worked hard in conservation, as you know. We have invested some $340 million in conservation, and we've seen a significant savings in our usage of electricity and as a result in our electric bills, and we're proud of that, but we do support hydroelectric power.

We own and operate dams on the Skagit River and on the Pend Oreille River, and it's basically solar power. It is the sun warming the ocean and taking the water over to the Cascade Mountains, putting it in beautiful snow that we can ski on, and then later we can put through the turbines. That energy is more susceptible to global warming than any other source.

When that snow pack goes away, so does that source of clean, green power.

We think it's important for us to be able to maintain that sustainable system we've had for 100 years and be able to conserve so that we don't have to have some of the other more polluting measures, and then in the meantime we work on technologies, solar—solar will create jobs in my city. It takes people to actually put them on buildings. That can't be outsourced.

The R&D that Mayor Bloomberg was talking about, that will create jobs at the university here and ultimately in businesses that take that research and put it into application.

We think there are great opportunities to create jobs in green industries, in green energy, and we think it's an exciting thing for the future of our country.

Mr. WALDEN. I know my time is about to expire, but I have one final question, and that is that—and it's a serious question. How do you measure carbon output in a city?

I understand how you can do it in a power plant where we've kept records. How do you do it overall though when we're all walking carbon emitters, we drive different vehicles, so how do we really get our hands around the measurement——

Mayor NICKELS. That's a great question, and I actually think there's a role for the federal government in that because there are a lot of different ways you can do it, and they add up to apples and oranges, so we don't necessarily have a consistent method that is, today, available.

There are numerous organizations that have created tools that you can use.

What we did is we took what we thought were the best models, and we built upon those.

For instance, there are judgment calls. Seatac airport, not in the city, not run by the city, but clearly air travel is something people in Seattle engage in, so we took 30 percent of the emissions of the airport and called that our own.

We think that the Congress and the federal government could establish a system that would be uniform, would allow us to compare apples to apples, and obviously that would be necessary if you were to have a cap and trade system, if you were to have a carbon—whether you call it a carbon tax and use the "T" word or carbon fee and use the "fee" word, that would give us, I think, a lot more common—ability to talk about that.

Mr. WALDEN. I appreciate that. Your help as mayors would be helpful as we work on those policies.

Thank you very much and thanks for your testimony and the work you are doing in your cities.

Mr. INSLEE. Thank you.

Mr. Dicks.

Mr. DICKS. Many of you have done good work on buildings and retrofitting buildings. I think that's an important part of the solution here because building construction is a major issue.

Also, one of the things—I was reading one of the editorials in the paper today talking about the consequences—I worry a lot as chairman of the interior subcommittee about the consequences to wildlife, but if we do have really significant warming, there's going to be consequences to human beings.

I would like each of you to maybe just take some time and discuss those two issues.

Mayor NICKELS. Mr. Dicks, one of the members of the U.S. Mayor's climate protection agreement is Bob Cluck who is the mayor of Arlington, Texas. He's a Republican and he's a medical doctor, and he said that for a number of reasons he had signed on, but the main reason was the effect that he is seeing on human health; in particular, asthma and other chronic illnesses that he is seeing in greater and greater numbers in his city that concern him.

The air quality—the greenhouse gas emission that also causes climate change is something that he sees as a health problem as well.

Mr. DICKS. What about LEED standards in your buildings?

Mayor NICKELS. Well, we are very proud. We are in sort of a nip and tuck race with the City of Portland to have the largest portfolio of LEED buildings.

Last week they were ahead 32 to 31 or something. This week we think we are ahead with Starbucks announcing that the old Sears store that is now Starbucks center is both the oldest and largest building to achieve a LEED gold certification. We are really proud of that.

We think we are ahead of Portland today, but check back next week.

Mr. WALDEN. How are the Huskies doing against the Ducks?

Mayor NICKELS. I'm not much of a basketball fan.

The thing that is interesting is that the original LEED buildings were government buildings, our City Hall, our libraries. We are building a fire station—and now the market is demanding that private buildings be LEED certified.

We are having a lot of new residential buildings built in our downtown, so we are seeing architectural firms, engineering firms, we are seeing companies that install and create the technology that allows you to achieve that certification being created here.

We see the future for Seattle as being the green building capital of America. We see a lot of jobs in that.

Mr. DICKS. Mayor Diaz, you have done a lot in Miami about this.

Mayor DIAZ. Sure. Actually, I believe it's something you asked earlier about the surprises—what are the best surprises we've had. One of the best surprises I think we've had is precisely how our business community has stepped up.

This is a business issue, and in our case, at least, we've had the private sector be an active partner of everything that we've done in Miami, and with respect to LEED buildings, when we got past that little resistance in terms of knowledge, the response has been overwhelming.

As I said in my statement earlier, we are looking at having gone from zero to over 20 buildings in one year—in a year, and as Mayor Nickels said, the market is now demanding it.

Not only are the owners of the buildings, developers of those buildings saving a lot of money in energy costs but also just a quality of life for those people that are working in the building.

It's been documented that it reduces absenteeism, people get sick less often, and it's just a wonderful experience for people to work in those buildings, so the market is demanding it.

Now it's kind of like—you know, you guys here have a Starbucks in every corner, so if the developer over there is building a green building and I'm about to start one over there, I better make sure that I am at that same standard or else people are going to run over there to lease over there.

The economic incentive is there for the business community and for developers to be a part of this effort.

Mayor PALMER. I would like to talk about the housing aspect of this as well.

In our city of Trenton, we are rehabilitating thousands of homes for working families, and what you don't want to see—because a lot of them are older brownstones, and of course the energy costs could be more than a mortgage once you make it affordable for working families.

We have seen, working with our contractors, even our architects, that we build green so that you can reduce those costs, whether it's doubling up windows, whether it's even putting gardens on top of roofs.

I mean, you know how hot it will get on tar roofs and the cost of your air conditioning at that time.

If you put a garden on top of a roof, it will reduce your energy costs dramatically, which will make you able to live in a house that you buy, and I think this is very important.

Not only is it reducing the energy costs of the homeowner, making it affordable and sustainable, but it's also helping create jobs in a market that didn't exist.

Those are the kinds of things that can be and will be done as we move forward on this issue.

Mr. DICKS. What about health issues?

Mayor PALMER. I'm so glad you brought that up.

I mean, if we do nothing—I know we talked about—and the economy is important and we continue to grow it, but what about our health? What about the—our health?

We are in areas especially—and there are a lot of low-income areas, that this issue is also an environmental justice issue. Look at all the young people that have asthma, that have their inhalers walking around because they are around air that is polluted.

We need to clean up our air and our environment, and especially as it relates to some of the people that live in some of the low income areas that are breathing this.

We need to make sure that we have schools that are surrounding our inner cities that when buses are idling, that you have—that you retrofit those buses so you're not emitting all the CO_2 in the air that our families and people are breathing.

Look at the cost that you fight and deal with every day on health care?

All of this is related. Every bit of it is related.

You can't just look at climate change in a vacuum. Everything is tied to one another as relates to our environment and the way we are going to do business.

All these are very important issues that some you can quantify, others you may not be able to quantify, but certainly we can't be in disagreement if we want a healthier and cleaner planet.

Mr. MCDERMOTT. The alternative production of energy is always the sexy issue, the wind and the solar and all the rest, but it's my belief that the conservation issue is really the quickest and fastest way to really get some change going in the society.

We put a lot of bonds in our bill from the House, and you're talking about a bond fund for the country's cities.

One of the arguments that we listened to constantly on the Ways and Means Committee was "Well, the mayors will just waste the money. If we give them $50 million or $100 million worth of bonds,

they'll just waste it. Look at CDBG. What did they do with all that money?"

I'd like to hear what you'd do with 100 million bucks if it was available on the 1st of March and you could begin planning in your cities for where you would put that money.

Any one of you. Give me some ammunition.

Mayor NICKELS. Well, Congressman, we actually have taken the time to write a plan.

We always do that in Seattle, and then we debate the plan for a long time before we adopt it.

Mr. DICKS. And then you tear it up.

Mayor NICKELS. We brought together business leaders, environmental leaders, and civil leaders and looked at what we could do to reduce our carbon footprint, increase our efficiency, and improve the environment, and so we've already got it laid out.

We would——

Mr. MCDERMOTT. Do specifics.

Mayor NICKELS. We would work on the transportation system.

We are about to open a new streetcar in Seattle connecting our downtown with the Fred Hutchinson Cancer Research Center. That will take cars off of the street. It will move people from diesel buses to an electric nonpolluting vehicle, so we would look at improvements in our transportation system, like streetcars.

Secondly, I think we would invest more in energy conservation and water conservation, probably in multifamily buildings and residential buildings.

Mayor PALMER. I don't want to be redundant. We would do the same, but we would develop our plan.

Just so you know, in real dollars and cents, if this were enacted, my city of Trenton would receive $633,566.54.

Mr. MCDERMOTT. Not that you're waiting for it.

Mayor PALMER. We would use it—we are putting together our plan for our carbon footprint but also looking at ways in which we can do education, job training, look at retrofitting of buildings, and those kinds of things that would help our economy.

The other thing I want to say too—you know, as mayors, we hear this all the time, "CDBG, what are you doing with the money? You are wasting the money." You know, I don't know what other cities are doing, but I can tell you the U.S. Conference of Mayors, we know what to do with the money. We help millions of Americans each and every day. They are almost like urban myths anymore.

You know, you look at Iraq. You want to talk about where's the money going, nobody questions Halliburton with all of that, but they question the mayors that we each and every day fight for the citizens of our community and without a partner in federal government. You wouldn't have daycare centers, senior citizen buildings, and those kinds of things.

What we're asking for is not a handout. We want a partner, and what we're also—we know there's accountability in this bill. We want to be held accountable for the results. We want to show what we are going to do, and it's in the bill that you have. "Show us what you have done in order to reduce that."

I think that we spend a lot of time on demonizing. We need to say, "Let's work together. Let's get the mayors who are doing

this"—you know, if you want to talk about saving money, the mayors are already doing this.

The governors, they are following our lead, as they usually do, but the mayors are actually doing this, so even if—look at the bottom line. If you are going to put money into something, who is doing it rather than who's talking about doing it?

The mayors have shown—Mayor Diaz, Mayor Bloomberg, Mayor Daley, Mayor Diaz, and hundreds of other mayors, we're already doing it.

Give us the opportunity to show you what will work, and it's the best, quite frankly, investment we could ever make for our country.

Mayor DIAZ. I would add to what they said, and that is, I think, the question that has come from the members, and particularly with the cities that are not as far advanced in this process, is creating measurements, going through an audit process, creating standards, something that we can measure, something that we can make sure that that money—you know, what's the problem, identify it on day one, and what strategies are you going to have to implement that and then be able to test against the problem on day one.

I think that's—I think that's essential because that's how we all know we're spending the money wisely.

Mr. MCDERMOTT. What would you do with new money?

Mayor DIAZ. What would I do with new money? I think I would work primarily in establishing a lot of these audits, particularly at the single family level, weatherization programs for some of our residents, particularly the low-income residents in our community who are really challenged.

If I'm—as President Palmer said, if we are going to a lot of low-income residents, and we are saying, "If you do these certain things, you will reduce your energy costs and therefore reduce your greenhouse gas emissions," et cetera, et cetera, "It's all fine and dandy, but I can't afford it," and so I think that's a challenge that all of us have at the local level to really have an impact in—especially in neighborhoods that need it but at the same time in so many of our—in what is really a large part of the emissions that are being generated in some of our cities.

Mr. MCDERMOTT. I can understand that. I did the energy audit on my house to put solar paneling on it, and it would cost me $24,000, and I would get my money back, at my present usage, in 21 years because I'm not using enough energy, so I understand the economics of it are very difficult and to help the lower income people.

Mayor NICKELS. One of the things that you ought to look at, and it's one of the things that President Clinton mentioned and also Mayor Tom Bates of Berkeley, California would be to create a financing mechanism so that instead of having to take out a consumer loan where you would have to pay the solar panels off in three years, you would take out a financing mechanism that would take the savings that you have and dedicate those savings to paying off a loan over a longer period of time.

You wouldn't pay anything if you got no savings, but you would do that audit that would demonstrate what the savings are so that the lender would have a guarantee of a repayment.

Mayor BLOOMBERG. Solar panels are one thing. Some parts of the country don't get a lot of sunlight where it really makes a lot of sense, but if you would just convert the light bulbs in your house to compact fluorescent light bulbs, the payback is within a year, and you'll save $100 per light bulb over the life of the bulb.

I was talking to Lee Scott the other day who is the chairman of Wal-Mart. They have taken on the objective of selling hundreds of millions of these compact fluorescent bulbs.

He said they've sold well over 100 million of them, and that reduces the need for one and a half coal-fired plants in this country. That's one thing, and that's most people still going nowhere near converting their houses, so there are lots of things that you can do in your house with a payback that's quick enough and the investment is small enough that all of us can do it.

Mr. INSLEE. I just want to note the Capitol dome is going to have efficient lighting, the top of the Capitol dome.

We had a little contrary note about governors. I thought it was appropriate to defend Governor Schwarzenegger who is doing a great job on energy efficiency, Governor Christine Gregoire who has helped us in the state of Washington, Governor Ted Strickland in Ohio—we have some great governors too.

We are going to have a lightening round, second round. Let's try to confine it to four minutes, and we'll start with Mr. Walden.

Mr. WALDEN. Thank you very much, Mr. Chairman.

I'm feeling really guilty right now looking up at no fluorescent light bulbs and all these lights on on a sunny day in Seattle, and I'm wondering if we could do our part and conserve by turning those down a little bit.

I invested in a hybrid this year, bought a Prius, traded in my old Chrysler, doubled or more my gas mileage, but I was disturbed when I picked up a paper the other day, and they had a chart in there about your return on investment, and because Toyota has been so successful selling those, they no longer give the tax credit to the buyer, so now it takes 17.9 years to recover the difference between a Toyota Prius and another vehicle that's standard, but the Ford Escape, which I'm looking at for out here in Oregon, it's 3.1 years return on your investment, and would double the mileage I'm getting on my current four-wheel drive, which I need to get up to ski on Mount Hood, which is clearly the best skiing in the Northwest, and I encourage you all to come ski there.

I wanted to get back to this issue of the international effect, and by no means are we saying we shouldn't do everything we can here—and I'm going through as the light bulbs go out and putting in the fluorescents, and I'm trying to do those things. I've supported efforts to go to the LED technology, when it's available, which will make fluorescents look like incandescents in contrast in terms of energy efficiency, so we need to encourage that.

We need to do these things for our future and snow pack and the future of the planet, but what do we do to encourage foreign nations to get involved?

I spent an hour with the lead negotiator for China in former Speaker Hastert's office, and it was pretty clear to me, they are moving ahead on a new coal fire plant, 4 or 500 megawatts per

week, every week this year, as well as other energy-producing sources.

They are doing that because they are getting a lot of jobs over there, and they are using dirty coal.

We had a group of members that was over there that toured a coal plant that when they talked to them, they said, on the scrubbers they have today, not for sequestration, just scrubbing out the sulfur dome, they only turn it on when they know the inspectors are coming because it reduces the efficiency of the plant.

This is—if there was ever a global problem, this is it, and while we do our part—I struggle with this piece of potentially losing jobs here—not necessarily creating the green jobs. I think there is a wonderful opportunity to do that, don't get me wrong, but I also know manufacturing jobs are going to chase cheap power, cheap natural gas, cheap labor.

The ships that come in and out of here, as we watch, are bringing a lot of goods this way and not many going that way, as many as we'd like, and so I struggle with this issue of letting China off the hook or letting India off the hook.

What do you think we should do, not diminishing what we are doing in this country or what you are doing as mayors, but what do we do internationally to try to bring the big polluters in who never were going to be part of Kyoto and who have made it clear, in personal discussions, they have no intention of making major changes.

In fact, basically we were told we polluted when we were industrializing, and it's their turn now and it's our turn to clean up. I don't think it's anybody's turn to pollute, by the way.

Suggestions, Mayor?

Mayor BLOOMBERG. Make—continuing to pollute, to teach them a lesson, just doesn't make any sense to me, and that's the strategy.

Mr. WALDEN. You're missing my point. No, no, no.

Mayor BLOOMBERG. It just doesn't make any sense to me.

I don't know how to make them do it. You can only hope that they will look at America and say, "America is so good. I want to be like them."

We are America, we shouldn't be walking away. We should invest in technology, clean our air, and hopefully they will follow. Short of that, I don't think there's any way. You are pushing on a string.

The only way they are going to do it is if they see it is in their interest, and the only way they are going to see it's in their interest is if we show that we can do it.

This is a country—think about what we came from, what we used to do. We used to roll up our sleeves and make it better, and now all we're doing is we're complaining, "The other guy's not doing it, so we are not going to do it."

That doesn't make any sense to me at all.

Mr. WALDEN. That's not what I said. You missed the point.

Mr. INSLEE. I want to take a crack at answering Mr. Walden's very important question about China.

What some of us believe is a vision on China is that we will take Ramgen Corporation's technology being developed in Mayor Nick-

els' city, which allows the compression of CO_2 so we might be able to burn coal cleanly, and sell it to China, use the Ausra solar thermal technology being installed in Florida with the first big contract for zero CO_2 solar thermal in Florida for about 200 megawatts, and sell it to China, use the technology being developed in New Jersey, not too far from Trenton, and sell it to China.

I just think our role and our destiny as a country is to develop these technologies and make China our biggest market ever, and I believe—that's just one member of Congress.

We've been kind of lobbing softballs. I want to ask a hard question to you, if I can.

We have passed a bill in the House for the first time having a requirement federally to require local communities to have building codes that answer a need for energy efficiency, and it's a pretty aggressive requirement. It essentially requires local communities to adopt building codes that will meet federal—what we have now for federal codes for LEED standards in federal building for private construction, including in the community, including public construction.

Now, that bill, that requirement, as currently written, has no sanction associated with it. It says the communities will do this and cities will do that, but it doesn't have any sanction associated with it.

Now, some have argued that we have to have some minor way to enforce that requirement, and we think it's necessary because not all mayors are as enlightened as the four at this table, not in every single city in the United States, and it is important to have a federal building code energy efficiency requirement.

I would just ask for your views on that, whether that's a good idea and whether or not some enforcement mechanism is appropriate.

Mayor NICKELS. First, the Conference of Mayors has adopted a framework for this issue, and that's attached to my testimony, and one of the things that we suggest is that the federal government lead by example, so to the extent that the federal government has taken this on and is showing how it can work, I think that's great. I think that's a great first step, but often it's the opposite, it's that the federal government exempts itself and then puts requirements on states and cities.

I think that there is a role for the federal government to set some standards in this area and many others, just as there's a role for the federal government in showing how things ought to be measured and then figure out how it should be paid for, whether it's a carbon tax or cap and trade system or what have you, so I think that's fair.

I think that to the extent that you're talking about smaller jurisdictions in particular, there should be some resources to help them do that because it's a fairly technical matter to develop those codes and to implement those codes, so I think there should be not an unfair mandate that doesn't have some resources with it, but setting the standards and then enforcing the standards I think is fair game.

Mr. INSLEE. Mayor.

Mayor DIAZ. I would tend to agree.

In fact, as I mentioned earlier, we are adopting our own certification standards locally, but I also agree with what Mayor Nickels said about the fact that even today cities are at different levels in terms of their expertise and their knowledge in this area, so I would recommend that there be some phasing in to allow cities to sort of catch up, at least intellectually, with the kinds of things that are necessary, and I can think of no better way to do that, by the way, than through the CDBG program.

Mr. INSLEE. We'll work on that.

Mr. Sensenbrenner.

Mr. SENSENBRENNER. Thank you very much, Mr. Chairman.

Congressman Dicks and I have been in Congress longer than any of our colleagues up here, and I remember in my first year in Congress, President Carter rammed through a repeal of the revenue sharing program to states and municipalities, and that caused a considerable financial dislocation when the revenue sharing money ended.

Let me ask each of you a question, which you probably can answer "yes" or "no."

If the federal money in the block grant program were not available, would you continue doing what you are advocating in your testimony?

Mayor BLOOMBERG. Yes.

Mayor PALMER. You just want a "yes" or "no"? It's yes.

As mayors, we can't afford not to. It's important, but at what cost?

You know, we have to do it, but then what gets cut? We cut out resources to a library, resources to a senior citizen center, and then you get to the bone and you cut police and fire because as a result of it, you have to do something.

I mean, there's only so much——

Mr. SENSENBRENNER. We face the same thing with our PAYGO rules here. If we plug something up, we have to offset something elsewhere.

Mayor PALMER. I don't know about PAYGO, but I know where we need to go, and that's——

Mayor DIAZ. The answer would be yes.

Mayor NICKELS. We would continue what we are doing. What the federal money would allow us to do is bring it up to a larger scale.

Mr. DICKS. We are very proud of the fact that we have 728 mayors signed up. Well, what about the rest?

That means three-fourths of the mayors are not signed up.

Why is that? What is the problem?

Is it a lack of understanding or is it a lack of resources?

In other words, is it the richer cities, the well-off cities that can do this?

What's the reason for people not doing it?

Mayor NICKELS. It's a wide variety of cities that have signed on, and that's been a very interesting part of it is as different parts of the country have experienced extreme weather events and they kind of—the bulb goes off, they have that aha moment, we see cities begin to sign on.

I wouldn't characterize cities as being the richer cities or the poor—they literally represent the gamut of cities in America.

Politically, it's still a difficult issue in many parts of the country, and so I think that there's probably a political factor for some mayors not to sign on.

I think for others, it's a question of "What does it mean? How do I measure my emissions? What do I do in order to reduce them and how do I know when I've succeeded?"

That's the question we get even from the mayors who have signed on and providing the technical help to them to be able to answer that and be accountable to their constituents when they make that promise is a big part of the effort that we're——

Mr. DICKS. You have reached out, obviously, to the whole country here, but what about in our own region? Is there an effort for Seattle and King County, which have been the leaders on this, to reach out to, let's say, Tacoma and Bremerton——

Mayor NICKELS. Yes, both Tacoma and Bremerton in the Sixth Congressional District have signed on, and Mayor Baarsma was an active participant in the summit that we had.

Spokane, the largest city in eastern Washington has signed on, and, in fact, 30 cities in Washington state have signed on, and many of those mayors were here for the last two days to learn about ways to keep that promise.

Mr. DICKS. But maybe—Mayor Palmer, you are the president of the organization. Is there an active effort to continue to try to get mayors to consider this and to join this effort?

Mayor PALMER. Absolutely.

If you think of where we were—first and foremost, when Mayor Nickels started, he said his goal was 141 from the amount of nations that signed on, and the more you talked about, the more people understood this. We are at 728. We just picked up 18 today.

I know in the city of—in the state of New Jersey what we are going to do is even be more active as it relates to this issue once you can explain it to the elected officials.

I think what we are doing now as an organization is continuing to educate not only our public but the people, working with the business community because of course you have to look at the bottom line, but I believe that if we put our great minds together, we can find out that we can be energy efficient and be competitive as relates to our economy. We just have to figure out how to do it.

Of course China and them are not going to do it until they can see how you make money with your technology and doing that, but we are going to continue.

Next year at this time, we will probably have another 728 and continue to grow.

Mr. DICKS. Are the National Association of Manufacturers, companies like that, of that magnitude, are they involved? Do they help in this cause of yours?

Mayor PALMER. Yes. As a matter of fact, this week we announced a partnership with members of our business council, our climate protection council made up of businesses that have started.

TCP, Wal-Mart, DuPont and others are a part of it to come up with a strategy on how do we make this competitive and get the word out.

We are going to continue to do this, but I can tell you that if this committee passes the energy environment block grant and we

begin to see true success stories at work and what it's about, we'll have many more mayors involved.

Some mayors say, "My town is so small, does it matter to me," but it matters to all of us, and we are going to continue to push that message.

Mayor DIAZ. I would just add that I believe that the universe we are talking about in terms of membership cities is 1,100, of cities over 30,000, so 728 out of 1,100 is a pretty good percentage.

I would also argue that as far as I know, reading history, which I love to do, at no time in our history do I remember over 700 mayors coming together agreeing on anything, all parties, all cities, all areas.

Mr. MCDERMOTT. I couldn't help as Mayor Bloomberg was talking at lunch today thinking about the "Yes, but," "Yes, but there's politics."

If you were going to be the energy secretary for the next President of the United States, what would you tell him or her to do? How would you overcome the power of coal in this country and the power of oil?

We have huge deposits in this country, enough coal to provide energy for the next 600 years, if we don't consider the environment.

So what would you say to the next President?

Mayor BLOOMBERG. I think in the end the great challenge is to convince the public and companies that it is in their own interests to clean the air, to pollute less, to use less energy, and I don't think that there are a lot of companies that have sent their jobs overseas just because of the price of oil or the price of coal, the price of energy, but we have to—in the end—there's two things that matter to people: Jobs and housing, "My job, my house."

If you can convince people that they can save money or that their kids will breathe better air or that their products will be more attractive or that they'll be able to get better employees by being energy efficient, then people will do it.

In the end, government can only do so much.

This is a capitalistic country, it's the greatest strength—the marketplace is the greatest strength of America, and you are seeing companies do things when it is in their interest or individuals doing it.

In fact, I can tell you in New York City, building green has become fashionable because it lets you rent your space for more money and it lets you run your building cheaper not because I've beat them over the head and said, "You should do this for saving the planet 50 years from now"——

Mr. MCDERMOTT. If your belief is that it's a capitalist system and people will respond to incentives, what would you tell the President to send up to the Congress for changes in the tax code to make this thing work, besides the $10 or $20 a ton of uncarbon? Anything else?

Mayor BLOOMBERG. Yeah. I would certainly not subsidize corn ethanol and tariff against sugar ethanol. It makes absolutely no sense or if I was going to do it, I wouldn't do it in the energy side. I would do it in the agricultural side where it may very well make good policy.

I am not an expert on agriculture, but when it comes to energy, this is just not the most efficient way to do things.

As a matter of fact, there are some studies that say that we pollute more by doing it.

Mr. MCDERMOTT. Any other advice that you would give the President?

Mayor NICKELS. If the President asked my advice, I would tell her that the—I would quote the price of oil on her first day as President and suggest that it would be no lower on her last day of Presidency and, in fact, likely to be much higher and that we have the opportunity to create jobs and create a new economy in this country by finding a different way to power our buildings and our industries and to run our transportation and that that research and development effort and implementation effort would be the, I think, most important undertaking that the federal government would have made, certainly since we decided to send a person to the moon, and I think probably ever.

Mr. MCDERMOTT. I would just say to my colleague from Wisconsin, the Ways and Means Committee did put out the R&D tax credit out of the committee on Thursday, so—on Wednesday, so it will be on its way to the floor shortly.

Mr. INSLEE. Before we close, I want to recognize Mayor Rosemary Ives from the great city of Redmond who has been a great leader in bicycle transportation and public transportation. Thank you for your work, Mayor. We really appreciate a great career in that.

I wonder if we can ask our witnesses if they want to make a closing one-minute comment.

What would you like us to take back to D.C.?

Mayor NICKELS. First, I would like to recognize the fact that there are a number of mayors in the audience, and maybe ask them if they would be willing to stand and be recognized just so you know there are other parts of the country represented.

[Mayors stand.]

Mayor NICKELS. Thank you so much for holding this hearing.

The fact that we are having honest and direct conversations around this issue is refreshing and I think very healthy.

There are different ways to go about this issue, but the recognition that global warming is happening, that it is human caused, and that we have a moral responsibility to step up and provide leadership I think is the key thing.

I would like you to take that back, and then we will be happy to work with you to find the specific policy directions that will best suit our country.

Mayor DIAZ. I will conclude by saying two things. Number one, I think there was a poll released in the last few days that showed that to 84 percent of Americans, this is a mainstream issue. It's not a tree-hugger issue anymore.

Eighty-four percent of Americans are saying this should be a top priority issue for the next President of the United States of America.

Number two, there was a lot of discussion here about cost.

I think the greatest cost is the fact that we are draining the resources that we have accustomed ourselves to living under that our

children maybe, our grandchildren, our great-children may not have, and we have an obligation to make sure that we don't continue to drain the earth's resources.

There was a United Nations study that was just released over the last few days. 1,400 scientists came together saying that what we have done to the natural resources of this world over the last 20 years is ridiculous and what we are about to continue doing, if we don't stop, is going to make things even worse.

With regard to the international, I would say that the—in Miami and in Florida, Governor Crist is also joining other governors in being a great leader of this movement.

We have signed an agreement with the national government. It's just, unfortunately, not ours. It's the national governments of Germany and the United Kingdom, and they are making every effort to work with the state of Florida to create green jobs, to show us how they have done it in those countries and are doing it in Florida.

We need to take the leadership. We can't—one thing for sure that I know—I don't know quite how to get there, but I know how we don't get there. There's no way we can ever convince China and India to be a part of this process if we are not a part of it, and that's what our partners from the UK and our partners from up in Germany tell us as well.

Mayor PALMER. I would be redundant. I don't want to take any more of your time. I just want to thank you on behalf of the U.S. Conference of Mayors and Executive Director Tom Cochran and staff for coming and having this field hearing. It is very encouraging to all of us.

I just want to say that we can do this. We can really do this.

There is disagreement. We can work through those. Nothing is impossible.

We have got the greatest nation in the world in innovation, a capitalistic system.

We can do that. We just need to bring everybody to the table.

How do you make money off this? How can we get a job? How can my kids breathe clean air? We can do this, but our citizens want to see us work together and show the leadership, and I think that we are doing it as mayors, and I really truly believe that you are doing this by coming here and putting forth part of your energy environment block grant as well, so I want to wish you all to have a great weekend and we really appreciate—it's a Friday, and I know how you have families, and I really appreciate you being here and all of my colleagues as well.

Mayor BLOOMBERG. Invest in R&D, open the borders because we are driving our jobs to China. They aren't going because of energy. They are going because we are not letting the best scientists come here.

You talked about science being used overseas. It's going to start being developed overseas. It is very scary what is happening to science, to education, to medicine.

The rest of the world is going after the best and the brightest while we are trying to keep them out, and our energy policy should be set by what's best for America not by some misguided fear that

somebody else may be polluting more. We have got to take care of ourselves first and lead by example.

Thank you very much.

Mr. INSLEE. As a closing note, and on a personal note, I want to thank all the mayors here who are engaged in this effort.

If you look out on the Sound, it is a pretty nice place to grow up, and I was born here. Your efforts in whatever town you are in is helping the Evergreen State stay evergreen.

I want to personally thank you and tell you that I've been watching your efforts with great personal frustration to watch your achievements and the lack of achievements we have had in Congress, and I just want to report to you that the calvary is on the way, okay?

We are about ready to arrive, and I will tell you one story.

March 21st—25th, 1961, John Kennedy goes to the House, and he says, "We are going to go to the moon in ten years and bring him back safely," and the NASA director James Webb turned to his assistant, Jim Gilruth, and he said, "Jim, can we actually do this," and Gilruth said, "Yes, absolutely. We have to," and I think that's the message today.

Thank you very much for all your work.

[Whereupon, at 4:33 p.m., the committee was adjourned.]

Honorable Michael Bloomberg, Mayor of New York
Answers to Submitted Questions

1. Do you consider nuclear power to be clean power and an acceptable alternative energy source to fuels that emit greenhouse gasses?

   Yes, although any sensible energy policy will consist of a diversity of energy supply sources, including natural gas, renewable, and nuclear from facilities that we ensure are operated safely. For example, New York City is reliant on the Indian Point nuclear plant to not only meet our energy needs but also to keep electricity prices stable and to prevent CO_2 emissions and other pollutants from soaring. Without Indian Point, our carbon footprint would increase by 25%, and we would need four new 500 megawatt power plants to meet energy demand, potentially increasing sulfur oxide and particulate matter air pollution in the city. While we continue to be dependent on Indian Point, at the same time, we are working to expand the use of renewable energy in New York City by removing barriers to the interconnection of solar to our electricity grid and the transmission of wind power from Upstate New York, piloting new technologies such as tidal turbines and various waste to energy technologies, and providing incentives where appropriate.

2. Generally speaking, state and local governments want less federal intervention and regulation into their affairs. Why do you feel that this issue in particular warrants the federal government telling local municipalities what to do?

   Climate change policy is not about intervention and regulation any more than the Interstate Highway System was. It's about the Federal government doing those things that can only be done effectively on the national level. Cities and states can and must take the lead on some strategies to reduce greenhouse gas emissions through land use decisions, improved building and development practices, and efficient transportation infrastructure. But cities and states cannot lead on things that must be done at the national level, such as national energy policies, national efficiency standards, and carbon pricing. Further, cities and states are pre-empted from changing certain standards that have a great impact on the nation's carbon footprint, including CAFÉ and appliance standards and emission caps. Cities and states also cannot make the type of significant cuts necessary to stabilize the earth's climate and invest in the type of research and development necessary to foster new break-through technologies. So this is not about "federal intervention"; it's about a shameful lack of Federal leadership.

3. All of you tout increased energy efficiency throughout your local governments. Aren't lower energy bills sufficient incentive to become more energy-efficient? Why didn't more cities take these simple steps of saving on energy cost earlier?

   The whole point of a carbon tax or a cap-and-trade system is to internalize the actual costs of carbon emissions into the prices of things like gasoline and electricity that cause carbon emissions. Any economist will tell you that price incentives do not work sufficiently if the full costs of a choice are not reflected in the price. Only then will the incentive be sufficient.

Further, while the economics of energy efficiency already make sense for many investments, there are social and structural barriers limiting building energy efficiency efforts, including lack of consumer awareness and existence of split incentives.

- *While lower energy bills would be a sufficient incentive for some, there is a significant lack of education and awareness in this country. The general population is likely not aware of the economic benefits of energy efficiency measures, nor are they aware of the impact their daily lives may have on the environment. Right now, when most consumers go to the store to buy a light bulb, they might purchase whatever is supplied, whatever they usually buy, or whatever is the cheapest up-front.*
- *There is often a disconnect between the entity that invests in an energy efficient strategy (i.e. developer or building owner) and the one receiving the cost savings (tenant).*
- *The construction and development sector tends to be very conservative, risk-averse, and therefore reluctant to change. As information on the economic benefits of energy efficient strategies has improved along with technology, it is still difficult to change behaviors without a unified, comprehensive, and aggressive effort.*

4. What is the current breakdown of electric generation by supply source provided to your metropolitan areas?

   New York City's energy supply (including Westchester County), distributed by Consolidated Edison, is made up of 10% coal, 43% natural gas, 6% oil, 4% large hydroelectric, 35% nuclear, and less than 1% each of wind, solar, biomass.. New York City is required by the New York State Reliability Council and the New York Independent System Operator to have within its borders the energy capacity to support 80% of summer peak. In total, 80% of the in-city power generation is fueled by natural gas and the remaining 20% by oil or renewable sources.

5. Do you support a carbon tax? If so, how expensive should the tax be?

   Yes. A carbon fee should be revenue-neutral and be at least partly returned to taxpayers through a mechanism that would offset the negative impact of higher energy prices on lower-income Americans. A pollution fee of $15 for every ton of greenhouse gas would allow us to return more than $500 a year to the average taxpayer. It would also give an incentive to reduce energy use by changing ever day behaviors, such as unplugging chargers when not in use, buying a more fuel-efficient appliance, or switching to more energy efficient lighting systems. A portion of the revenue from the pollution charge could also be used to offer tax credits to entities that reduce carbon emissions through means other than efficiency (such as carbon sequestration) and invest in the R&D we need to develop renewable energy and better efficiency technologies, such as plug-in hybrids.

6. How much federal and state funding for your energy and environmental initiatives have you received to date? What programs or grants did you apply for?

The City of New York has always worked closely with New York State to fund energy and environmental initiatives, specifically with the New York Power Authority (NYPA) *and the New York State Energy Research and Development Authority (NYSERDA).*

- *NYPA supplies the city government's facilities with electricity as well as provides turn-key energy efficiency services to these facilities. While the City does pay NYPA for this service, NYPA has supplied a number of grants throughout the years to support a few emerging technologies, including solar installations and an anti-idling plug-in station for diesel trucks.*
- *NYSERDA is funded through the Systems Benefit Charge (SBC) tariff on the electric bills of New York State ratepayers. The SBC funds are a compulsory fee for all rate payers throughout the state. New York City residents provide over 50% of the total $125 million per year incentive fund, which goes towards grants, financing, and technical assistance statewide to promote green buildings and energy efficiency.*
- *New York City residents, businesses, and institutions have also taken advantage of the federal production tax credit to help fund solar and other investments into renewable energy.*

7. How much money have you saved by implementing common sense policies such as energy efficient light bulbs? And have you experienced cost savings by using alternative fuels for your transportation vehicles?

   For city government facilities alone, from measures taken between 1997 to 2005, we estimate we saved more than $30 million in annual energy costs. For transportation, we estimate we save more than $1.5 million in fuel costs annually through the use of hybrid-electric vehicles in the City's fleet.

8. When you look at transportation vehicle changes – does that include all city owned vehicles or just the transit fleet?

   New York City does not operate the city's transit system, so our efforts to create a more sustainable vehicle fleet apply only to city-owned vehicles. However, the Metropolitan Transportation Authority, a state entity, now has more than 550 hybrid-electric buses, and the city's Taxi and Limousine Commission has voted to convert the city's entire fleet of more than 13,000 medallion taxis to hybrid-electric vehicles within three years.

9. Have you done work in retrofitting current buildings for energy efficiency or just in building new ones? If you have worked on current buildings, what if any obstacles have you encountered? Have you made a conscious effort to preserve the historic value of older buildings as you make changes?

   The City of New York, with NYPA, has been retrofitting existing buildings since the mid-nineties. Starting with the launch of PlaNYC, however, we are supercharging these

efforts. On October 22, 2007, I signed Executive Order 109, which established a steering committee charged with developing and implementing a comprehensive energy conservation plan to reduce the energy consumption and greenhouse gas emissions of City buildings and operations by 30% over the next ten years. The City, which accounts for approximately 6.5% of New York City's total energy usage and 10% of its peak electricity demand, will finance the 10-year plan with an annual commitment of 10% of its annual energy expenditure. In addition to the 10-year plan, which is due by June 30, 2008, the steering committee is charged with presenting a short-term action plan for the current fiscal year. The short-term action plan is enclosed.

10. I am having a hard time understanding local governments who invite the federal government into their business. Other than getting federal money from grants to combat climate change, why is it appealing to ask for federal leadership on solutions that you are already leading your cities to embrace?

    This is not about inviting the Federal government into our business. This is about the Federal government accepting its responsibility to lead an effort in which all levels of government can and should play complementary roles. Cities and states can lead on areas where cities and states are the right level of government for action – such as on land use decisions, improved building and development practices, and efficient transportation infrastructure. The Federal government, however, must lead on national energy policy, research investments, and national carbon pricing.

11. Obviously all of you must be concerned with economic development as you look at climate solutions in your cities. What measures are you taking to insure that the programs that you implement allow for economic growth? Aren't you concerned that onerous federal regulations could disrupt your economic policies?

    We believe that increased efficiency is an economic development tool, not a threat. If we can reduce energy consumption, our city will pay lower energy prices – even after factoring in a carbon tax. If we can get people out of their cars, traffic will move better, productivity will rise, and air quality will improve – reducing health care costs. If we can diversify our fuel consumption into renewables and nuclear we will be less dependent on oil. And investments in these areas will create jobs.

    Furthermore, when it comes to climate change, the cost of inaction exceeds the cost of action. New York City is vulnerable to storms, to sea level change, to droughts, and to heat waves – all of which will be increased and intensified by climate change. These pose a much greater threat to our long-term economic health than the costs of a carbon tax or needed energy efficiency standards. According to the Stern Review on the Economics of Climate Change, the overall costs and risks associated with the impacts climate change will be equivalent to losing 5% of global Gross Domestic Product (GDP), while investing in efforts to reduce greenhouse gas emissions to avoid the worst impacts of climate change will cost less than 1% of global GDP.

12. Where is the revenue for your $80 million initiative to reduce carbon dioxide coming from?

    The City's capital and operating budgets. Over time these will pay for themselves with reduced operating costs due to efficiency.

13. You strongly state, "we have to stop ignoring the laws of economics." Do you agree that the creation of a cap-and-trade program or a carbon tax, which would put a price on greenhouse gas emissions, would raise energy prices and those costs will be passed along to consumers? For the record, you are in favor of a carbon tax instead of a cap-and-trade scheme?

    As long as greenhouse gas pollution is free, it will be abundant. If we want to reduce it, there has to be a cost for producing it. Raising the cost of pollution can actually save money in the long run. Raising the cost of carbon dioxide would make cleaner power solutions, such as natural gas, be able to compete with coal. It would also make alternative energy sources more cost-competitive, which would lead more consumers and property owners to make the switch.

    To raise the cost of carbon, we can take either an indirect approach – creating a cap-and-trade system of pollution credits – or a direct approach: charging a fee for greenhouse gas pollutants. I believe a direct fee is more effective. A direct charge would eliminate the uncertainty that companies would face in a cap-and-trade system, it would be easier to implement and enforce, it would prevent special interests from opening up loopholes, and it would create an opportunity to cut other taxes. I believe the approach of a pollution tax matched with a reduction in other taxes is the best approach at this time. And even though energy costs might rise, the savings from tax cuts and energy efficiencies could, over the long run, leave consumers with more money in their pockets.

14. Are you in favor of off-shore wind?
    Yes. Many European countries, including Germany and Denmark, have demonstrated the effectiveness of off-shore wind as a source of energy generation. Of course with any energy generation facility and any development in our waterways, a comprehensive environmental assessment must be completed first to ensure that no significant environmental impacts would result from the installation.

15. Are you replacing your old incandescent light bulbs with new CFC light bulbs? If so, what type of recycling program do you have for CFC, since they contain mercury which could pose serious health risk if not properly disposed?

    Yes. I have switched all the incandescent light bulbs in City Hall and my house to compact florescent light bulbs (CFL).

    While CFLs do contain small amounts of mercury, they are safe to use. Individual CFLs generally contain less than 10 mgs of mercury, and manufacturers are continually decreasing these levels. On a larger scale, the use of CFLs can result in reduced emissions since they consume less electricity, thereby reducing the use of electricity

generated from combustion of coal, which is a major source of mercury in the environment.

Finally, while there is no state or local law prohibiting NYC residents from placing these items in the trash, our New York City government website contains the EPA instructions for safe disposal. The EPA recommends sealing the bulbs in two plastic bags before discarding in the trash. New Yorkers can also bring their compact or other fluorescents to any of the NYC Department of Sanitation's Special Waste Drop-Off Sites.

THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N.Y. 10007

EDWARD SKYLER
DEPUTY MAYOR FOR ADMINISTRATION

MEMORANDUM

To: Mayor Michael R. Bloomberg

From: Deputy Mayor Edward Skyler ES
Chair, Energy Conservation Steering Committee

Date: December 5, 2007

Subject: Short-Term Action Plan for Reducing Energy Consumption and Greenhouse Gas Emissions of City's Municipal Buildings and Operations

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I. Introduction

On October 22, 2007, you signed Executive Order 109, which established a steering committee charged with developing and implementing a comprehensive energy conservation plan to reduce the energy consumption and greenhouse gas emissions of City buildings and operations by 30% over the next ten years. The City, which accounts for approximately 6.5% of New York City's total energy usage and 10% of its peak electricity demand, will finance the 10-year plan with an annual commitment of 10% of its annual energy expenditure.[1] In addition to the 10-year plan, which is due by June 30, 2008, the steering committee is charged with presenting a short-term action plan for the current fiscal year. The steering committee includes the Office of Operations/Long-term Planning and Sustainability, Office of Management and Budget, Economic Development Corporation, Department of Design and Construction, and Department of Citywide Administrative Services (DCAS).

Our short-term action plan includes 132 projects throughout New York City and is expected to reduce greenhouse gas emissions by an estimated 34,000 tons annually. This is an important first step toward achieving the 1.1 million ton reduction goal by 2017, and we expect to significantly improve our annual reductions when implementing the 10-year plan. The projects in this plan include lighting replacement and sensor installation; heating, ventilation, and air conditioning improvements; water and sewer

[1] The City's total Fiscal Year 2008 energy expenditure is approximately $800 million.

equipment upgrades; and vehicle replacements. The steering committee sought projects with a rapid return on investment and overall energy savings. It considered proposals developed by the DCAS Office of Energy Conservation and by several of the City's largest energy-using agencies. The steering committee also identified a series of pilot programs, studies, and advisory services to help implement these projects and to develop the 10-year plan.

The short-term action plan, detailed with current cost estimates, follows below. This $80 million plan includes $67 million for the 132 projects, $8 million for pilots, studies, and advisory services, and a contingency fund of approximately $5 million for any potential cost adjustments.

II. Short-Term Action Plan

The steering committee has approved the following 132 projects (totaling approximately $67 million) for the short-term energy conservation action plan, summarized by project type in the table below. More detailed descriptions for each project type follow the table.

NYC Carbon Footprint Reduction Projects for Fiscal Year 2008			
Project Type	# of Projects	Estimated Cost	Estimated CO_2e Reduction[2] (tons per year)
Interior Lighting	81	$17,032,750	10,407
Interior "Lighting-Plus"	27	$18,327,842	9,504
Heating Systems	8	$3,175,000	1,420
Street and Highway Lighting	3	$7,933,977	4,889
Vehicle Pilot	3	$1,053,240	98
Brooklyn Bridge Necklace Lighting	1	$500,000	134
Chilled Water Conversion	1	$2,000,000	837
Garage Exhaust	1	$50,000	171
Hunts Point WWTP Centrifuge Upgrade	1	$1,500,000	130
Owls Head WWTP Engine Generator Conversion	1	$4,500,000	2,260
Rikers Island Co-Generation	1	$3,800,000	1,667[3]
Rikers Island Laundry Water Recycling	1	$1,800,000	1,500
Variable Transformers	1	$360,000	410
Vehicle Replacements	1	$5,000,000	550
Videoconferencing	1	$100,000	15
Totals	**132**	**$67,132,809**	**33,992**

[2] CO_2 equivalent reduction amounts are estimates based on the best available information; actual CO_2 equivalent reductions will be tracked as part of the scope of each of these projects.
[3] Because this is a multi-year contract, the estimated CO_2 equivalent reduction is pro-rated to reflect the reduction expected as a result of work done this fiscal year.

A. Lighting

- **Interior lighting projects.** Among the projects, we will replace outdated ceiling fluorescent lamps with energy-saving lamps and replace incandescent lights in exit signs with light-emitting diodes to achieve permanent reductions in electricity usage. These projects are located in City facilities in each of the five boroughs, including 27 public schools, 19 police precincts, 13 sanitation district garages, four firehouses, and four municipal office buildings, including City Hall.

- **Interior "lighting-plus" projects.** We will combine lighting upgrades with a variety of supplementary measures, including the installation of occupancy sensors and premium efficient motors, as well as interactive control systems to reduce the use of artificial light during daylight hours and "quick" roll-up doors to reduce the loss of chilled or heated air from garages. These projects are located in buildings throughout the five boroughs, including the St. John's Recreation Center, New York Botanical Garden, and City University of New York.

- **Brooklyn Bridge necklace lighting project.** We will replace 100-watt mercury vapor lamps with 24-watt LED lamps on the Brooklyn Bridge. This project will use new technology and will mark the first such installation in the City by the Department of Transportation (DOT).

- **Street and highway lighting projects.** We will replace approximately 25,000 bulbs on City streets and highways, including over 10,000 bulbs in cobra head street lamps in Staten Island. These projects will include reducing wattage levels by replacing 250-watt luminaries with 150-watt luminaries.

B. Heating, Ventilation, and Air Conditioning

- **Heating system projects.** Among the projects, we will replace steam traps, install new control valves, and upgrade boilers in multiple municipal office buildings in lower Manhattan. In addition, we will upgrade the chiller in the Police Department's (NYPD's) forensic investigation division laboratory with more efficient motors and improved controls.

- **Rikers Island co-generation project.** We will combine the production of electricity and heat in one Department of Correction (DOC) facility on Rikers Island. This project is the initial phase of a multi-year initiative.

- **Chilled water conversion project.** We will replace local air conditioning units in several public halls at the American Museum of Natural History with a central chilled water system. This project builds upon a series of strategic energy savings initiatives that the Museum has conducted over the past five years.

C. Water and Sewer Equipment

- **Hunts Point Waste Water Treatment Plant centrifuge upgrade.** We will replace a centrifuge at the Department of Environmental Protection (DEP) Hunts Point Waste Water Treatment Plant with more energy-efficient equipment. The upgrade will serve as a pilot project for centrifuge replacement and may lead to the replacement of all 53 centrifuges in the City's water system.

- **Owls Head Waste Water Treatment Plant engine generator conversion project.** We will use digester gas as an energy source at the DEP Owls Head Waste Water Treatment Plant, reducing the plant's dependence on the City's power grid. The digester gas that is produced by the plant will be cleaned for use through chilling, reducing greenhouse gas emissions.

- **Rikers Island laundry water recycling project.** We will upgrade the laundry system at a DOC facility on Rikers Island to filter and reuse hot water for multiple rinse cycles. The project will reduce the amount of energy used to heat water each day.

D. Vehicles

- **Vehicle replacement project.** Based on the results of a study currently underway at DCAS on the 27,000 vehicles in the municipal fleet, we will replace approximately 200 of the most outdated and heaviest-polluting City vehicles with current-year hybrid vehicles. Through the project, the existing, older model gasoline sedans and sport utility vehicles (SUVs) will be replaced with the Toyota Prius and Ford Escape hybrids at the following agencies: DOC, Fire Department (FDNY), NYPD, Department of Sanitation (DSNY), DCAS, DEP, Department of Health and Mental Hygiene, Department of Parks and Recreation (DPR), and DOT.

- **Vehicle pilot projects.** For the first time, we will provide NYPD and FDNY with hybrids to be used as emergency response vehicles, and both the NYPD and the FDNY will pilot ten GMC Yukon vehicles in place of other SUVs. Additionally, for the first time DSNY will pilot three hybrid collection trucks, serving as alternatives to the traditional diesel-powered trucks.

E. Other

- **Variable transformers project.** We will install variable transformers at 30 DPR buildings throughout the City. Variable transformers, which DPR previously has piloted successfully, control the voltage entering a building, eliminating electricity spikes, and reduce overall electricity use.

- **Garage exhaust project.** We will install variable frequency drives in garage exhaust systems at the American Museum of Natural History to measure carbon

levels in the air. The ventilation systems, which currently operate at their highest capacity, will be modified to reduce the fan speed to match the required carbon level control required.

- **Videoconferencing pilot project.** We will install 10 videoconferencing terminals in agency offices throughout the City, aiming to reduce vehicular travel for routine meetings. The project will include a study that will measure the impact on vehicle travel by monitoring the use of the equipment.

F. Pilot Programs, Studies, and Advisory Services

- **Energy audit pilot program (cost: $1.5 million).** Through a pilot program of full energy audits in at least 10 City-owned buildings, we will assess the current energy consumption of each building, produce site-specific reports that describe and analyze the facilities and their energy consumption systems, and recommend energy conservation measures, ranging from retro-fitting or retro-commissioning to operations and maintenance improvements. Each audit will include interviews with facility managers and staff, inspections of building systems, data analysis, and specific recommendations detailing the benefits, costs, and payback for each energy conservation measure. We will review a variety of buildings based on energy usage, function, and location for the pilot.

- **Operations and Maintenance study (cost: $1 million).** We will conduct a study that focuses specifically on the operations and maintenance practices of the City's largest energy-using agencies. As part of the study, we will examine existing practices at these agencies and make recommendations for improved standards and protocols to be implemented across each agency's building portfolio. The study will include assessments of current conditions at these agencies' facilities and their impact on energy costs, as well as analyses of best practices adopted by other large municipalities, institutions, and organizations.

- **Energy management system pilot program (cost: $2.5 million).** In this pilot, we will install the hardware and software required to track energy consumption in at least 10 City-owned buildings on an ongoing basis and measure the need for, and impact of, energy conservation measures. Additionally, we will assess the effectiveness of the various types of management systems to assist us in making recommendations for broader implementation in the 10-year plan. The pilot will include more complex systems, such as full building automation systems, which provide comprehensive real-time monitoring of all types of energy in a building, as well as less complex systems that monitor specific types of energy use at a facility. The program will include a cross-section of City-owned buildings.[4]

- **Database Design (cost: $1 million).** Given the importance of collecting, monitoring, and analyzing information related to the City's energy consumption

[4] Some of these buildings may overlap with the buildings selected for the energy audit pilot program.

and conservation, the steering committee has approved the creation of a database system to integrate energy consumption data recorded by systems throughout the City's building portfolio. The system will include real-time metering and monitoring tools and will allow us to identify savings opportunities, establish priorities for energy conservation funding, and track the results of energy conservation measures that are implemented. To design the database, we will examine existing City energy data applications, review available technology, interview primary users, and assess the best practices of other entities with large portfolios and database tools.

- **LEED EB pilot program (cost: $500,000).** Through this pilot program, we will apply the nationally-recognized Leadership in Energy and Environmental Design for Existing Buildings (LEED EB) standard to at least five City-owned buildings. The LEED EB standard provides a comprehensive approach for building operators to improve energy efficiency practices, as well as site maintenance, water conservation, waste prevention, and indoor environmental quality. We will assess the feasibility and effectiveness of applying the rating system and make recommendations for the City's building portfolio.

- **Small-scale renovations study (cost: $50,000).** We will review the impact of small-scale renovations that occur routinely in City-owned spaces and that often result from staffing changes, organizational moves, and similar events. We also will examine the City's existing standards for renovations to achieve greater uniformity and compliance across project types at all agencies, and we will produce a set of common standards for all renovation projects Citywide.

- **Vehicles study (cost: $615,000).** This study will build on DCAS's current analysis of the City's 27,000-vehicle fleet, evaluating various types of alternative fuels and new vehicle technologies. The study will focus on agency-specific fleet management needs and plans, including vehicle retirement schedules, and will produce recommendations for maximizing fleet-based greenhouse gas reductions at the agency level.

- **Technical advisory team (cost: $1 million).** To help develop and implement the City's 10-year plan, we will assemble a technical advisory team with the requisite expertise and experience that will assist with the following: coordination of the energy pilots and studies described above; analysis of the applicability of advanced technologies; research on the best practices of other large entities with extensive building portfolios; evaluation of appropriate reporting, accountability, and enforcement policies; recommendations to meet procurement, staffing, and other organizational needs; assessment of alternative energy service companies; and implementation planning.[5]

[5] The technical advisory team will help review additional small-scale technology pilots for consideration this fiscal year.

III. Conclusion: Toward the 10-Year Plan

By June 30, 2008, the steering committee will present a comprehensive plan to achieve the full 30% reduction in greenhouse gas emissions by 2017. We will build on the energy pilots and studies begun this fiscal year, extending them where necessary. The 10-year plan will include the following: benchmarking of energy consumption for all City buildings; identification of existing resources for plan integration; assessment and prioritization of energy-saving technologies; timetable for procurement and implementation; measurement and verification protocols to monitor progress and energy savings; establishment of accountability and enforcement policies for agencies; and organizational recommendations required for implementation.

Gregory J. Nickels
Mayor of Seattle

December 20, 2007

Chairman Ed Markey
House Select Committee on Energy Independence and Global Warming
2108 Rayburn House Office Building
Washington D.C. 20515

Dear Chairman Markey:

It was my pleasure to testify before the House Select Committee on Energy Independence and Global Warming in Seattle.

Per your request, attached are my responses to questions from committee members for inclusion in the record.

Please contact me if I can be of further assistance to you.

Sincerely

GREG NICKELS
Mayor of Seattle

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Mayor Greg Nickels' Responses to Questions for the Record from the November 2 Hearing of the Select Committee on Energy Independence and Global Warming

1. **Do you consider nuclear power to be clean power and an acceptable alternative energy source to fuels that emit greenhouse gasses?**

Given the serious global challenge of addressing climate disruption all non-emitting power resources need to be on the table for discussion. However there are still significant public safety, security, and environmental concerns that need to be addressed when it comes to nuclear power. A recent Union of Concerned Scientists report highlighted those concerns, including finding long-term geological storage options for spent fuel; ensuring adequate measure for safety through using the most advanced technology available; and increasing current security standards to protect against credible threats.

2. **Generally speaking, state and local governments want less federal intervention and regulation into their affairs. Why do you feel that this issue in particular warrants the federal government telling local municipalities what to do?**

Meeting the challenges of climate change is a shared responsibility, but also an opportunity, and requires partnership among all levels of our federalist government. We mayors are doing our part to implement climate-friendly policies. But these policies will only take us so far without the certainty that would be created with a national system to address climate change.

3. **All of you tout increased energy efficiency throughout your local governments. Aren't lower energy bills sufficient incentive to become more energy-efficient? Why didn't more cities take these simple steps of saving on energy cost earlier?**

Seattle has operated conservation programs for 30 years, starting in 1977 with its "Kill-a-watt" program. Over time, we have expanded these efforts, and today, we operate one of the most aggressive and successful conservation and energy efficiency programs in the United States. As a region, the Pacific Northwest has reduced its load by 40 percent -- or about 3100 megawatts – through almost twenty-five years of conservation. Had the region instead built new fossil resources, its greenhouse gas emissions would be almost twice what they are today.

Both Seattle and the Northwest have found that our cheapest source of cost-effective resources will continue to come through conservation, and we plan to meet forty percent of our future resource needs with energy efficiency. One of the primary reasons many utilities do not undertake energy efficiency programs is that their regulatory agencies do not reward such activities, but instead have established regulatory structures that reward higher electricity sales. Such policies are in direct conflict with energy conservation

programs and deny consumers the many financial and environmental benefits of such programs.

4. **What is the current breakdown of electric generation by supply source provided to your metropolitan areas?**

Seattle City Light receives 90 percent of its power from hydroelectric resources. Of this, about 60 percent comes from operations that are owned by the City of Seattle and the rest comes from the Bonneville federal power system. Seattle also has a long-term interest in wind power and purchases some electricity from the wholesale market.

5. **Do you support a carbon tax? If so, how expensive should the tax be?**

While we have yet to take a position either in support or opposition of a carbon tax, we do not feel that a cap and trade program and a carbon tax are mutually exclusive mechanisms, and may, in fact, provide the most complete sector coverage and effective price signals for successful greenhouse gas emissions reductions.

In 2007, Seattle initiated a resolution with the US Conference of Mayors entitled "Endorsing the US Mayors Federal Climate Policy Framework," which among other things calls on the federal government to establish a market-based system that will help drive innovation and economic development in our communities. This system should facilitate meeting the target of 80 percent reductions by 2050, cover multiple sectors of the economy, include flexibility to foster creative approaches, allow for the least-cost means of achieving the cap, recognize that different regions of the country will be affected differently from the design of any cap and trade system, and reward energy efficiency, renewable energy, innovative energy technologies and early actors. A copy of the resolution can be found at:
http://usmayors.org/75thAnnualMeeting/resolutions_full.pdf

6. **How much federal and state funding for your energy and environmental initiatives have you received to date? What programs or grants did you apply for?**

The City has received no federal or state funding specifically in support of our climate change efforts. We applied for, but did not receive, a Region 10 EPA Grant in support of local community initiatives on climate change.

7. **How much money have you saved by implementing common sense policies such as energy efficient lightbulbs? And have you experienced cost savings by using alternative fuels for your transportation vehicles?**

Conservation and energy efficiency reduced Seattle City Light's 2006 electric system load by 11 percent, or 117 average megawatts. That is enough electricity to power 115,000 Seattle homes for one year, or one-third of our residential service area. Along with the many land use and air quality benefits, these measures save Seattle City Light customers

about $63 million annually through lower energy costs and 580,000 tons annually in lower carbon dioxide emissions.

We are currently in the process of benchmarking energy performance of all city owned and operated facilities. This information will be used to help us prioritize energy efficiency projects in the coming years and capitalize to the greatest extent on conservation potential. Tracking facility energy use also allows us to continuously monitor building operations and identify opportunities for behavioral energy savings. We are currently evaluating several major relamping projects in city facilities which could save us up to 40 percent of electricity used for lighting (or nearly 2 million kWh).

In September, Seattle City Light launched its "Twist and Save" campaign. To date, we have distributed 273,293 compact florescent light bulbs sold for an estimated savings of nearly 9 million kWhs. A similar campaign distributed over 31,000 showerheads to Seattle residents living in electrically-heating homes resulting in over 5.3 million kWhs of energy savings.

This year the City updated the Green Fleet Plan, setting new targets for the purchase of hybrid subcompacts and small SUVs. We are also piloting the use of a higher blend of biodiesel (B40) with an eye toward using this blend throughout the fleet. City-wide fuel use is down 12 percent from 1999, and of the City's approximately 1000 diesel-powered vehicles, all but 3 percent run on biodiesel. Nearly 80 percent of new light-duty vehicle purchases are now either hybrid or biodiesel purchases.

8. **When you look at transportation vehicle changes – does that include all city owned vehicles or just the transit fleet?**

The City is not directly responsible for providing public transportation in the Seattle metropolitan area (that falls to King County Metro, Sound Transit, Pierce Transit and Community Transit). However, working with our partners, a number of exciting changes are on the horizon, including: a new streetcar linking the downtown area with hundreds of new jobs and housing; a new light rail line thay will take thousands of cars off the road beginning in 2009; expanded bus service; and the City's bicycle master plan thatwill allow bicycle commuters greater safety and increased connectivity between and among city neighborhoods. A pedestrian master plan, now underway, will help the City to promote traveling by foot – traveling by bike and foot can be a real part of the solution to reduce emissions, saving money and improving public health in the process.

Seattle's Climate Action Plan includes the directive, "Improve the Average Fuel Efficiency of Seattle's Cars and Trucks." This action includes working with the City's municipal fleet, through its Clean, Green Fleet program, but also developing outreach and education materials for private commercial fleets. As the host city for the Puget Sound Clean Cities Coalition and in partnership with the Puget Sound Clean Air Agency, Seattle helped to develop and launch a new tool to promote and support "green" fleet management by other public and private fleet operators in the region (www.psgreenfleets.org). In addition, we are developing a "Drive Smart" campaign aimed at all Seattle residents to be delivered in

the spring through our comprehensive community engagement campaign, "Seattle Climate Action Now."

9. **Have you done work in retrofitting current buildings for energy efficiency or just in building new ones? If you have worked on current buildings, what if any obstacles have you encountered? Have you made a conscious effort to preserve the historic value of older buildings as you make changes?**

Seattle's green building policy, adopted in 2000, calls for both new city projects as well as renovations to achieve a Silver rating using the US Green Building Council's LEED Green Building Rating System. In addition, Seattle City Light's conservation program provides incentives for energy efficiency improvements in existing buildings.

City Light has identified significant additional opportunity for conservation within Seattle's existing building stock, both residential and commercial sectors. We are currently exploring policy options that will allow us to capitalize on this conservation potential.

With regard to historic buildings, our City Green Building team has an explicit focus on retaining historic character, while still identifying and developing opportunities to integrate energy (and other sustainability) upgrades. A recent article in Environmental Building News explains this relationship, and opportunity, well.
http://www.nationaltrust.org/green/files/HPandGreenBuildingArticle.pdf

10. **I am having a hard time understanding local governments who invite the federal government into their business. Other than getting federal money from grants to combat climate change, why is it appealing to ask for federal leadership on solutions that you are already leading your cities to embrace?**

While Seattle is committed to continuing to reduce our own greenhouse gas emissions, such voluntary local measure by one city, or even hundreds of cities acting alone, will not move the country toward meaningful progress in this global challenge. Instead, Seattle believes that it is appropriate for the United States to demonstrate global leadership on what is the greatest environmental threat of this century.

We believe that the time for federal action on climate change is now, and the United States must move swiftly to develop national policies to reduce greenhouse gas emissions. Not just because it is the most powerful way to confront this problem but also because it will allow us to achieve the most reductions for the least costs to our economy.

Finally, as the world's leader in technological innovation, businesses in the United States that move quickly to harness low carbon technology are likely to find global markets for these products as other nation's seek ways to lower their greenhouse gas emissions.

11. **Obviously all of you must be concerned with economic development as you look at climate solutions in your cities. What measures are you taking to**

insure that the programs that you implement allow for economic growth? Aren't you concerned that onerous federal regulations could disrupt your economic policies?

Greenhouse gas reduction policies that are wisely structured by harnessing market powers and allowing for appropriate levels of flexibility will have the least impact on our economy. In fact, if done well, climate policies may actually provide some economic benefits by encouraging more efficiency in our energy infrastructure while also reducing our reliance on imported fossil fuel.

Significant economic opportunities are presented by the challenge of climate disruption to make our cities more climate-friendly – opportunities for our families and businesses to save money through increased efficiencies, and opportunities for our companies to create jobs and revenues by inventing and producing cleaner energy sources and technologies. In the Seattle area, for example, green building and biodiesel production already are emerging as strong and growing sectors of our economy.

It is also important to keep in mind that there are major economic costs for inaction. While these costs may be harder to measure, they may far exceed any costs associated with enacting new limits on greenhouse gases. This is of particularly concern to coastal cities like Seattle. For example, one study by the University of Washington predicts that "the decline in firm yield of Seattle's water supply due to climate change impacts could exceed $8 million per year."

12. How much of Seattle's energy is provided by hydropower?

Seattle City Light receives 90 percent of its power from hydroelectric power. Washington State is about 73 percent hydroelectric power dependent.

13. You have implemented the LEED standard for new buildings over 5000 square feet. How did you choose that square footage as the ideal number for energy efficient standards? Does it make sense to exclude smaller buildings if climate change is such a crisis?

Seattle's capital improvement projects of smaller than 5000 sf tend to be facilities such as small unheated restrooms in parks. The 5000 sf threshold for new construction was selected based on the energy use and other environmental impacts of facilities that included heating and cooling systems.

Using a national standard such as LEED helps establish minimum performance levels, creates a common dialogue for discussion, and allows Seattle to measure its building performance relative to other jurisdictions using the same system.

However, achieving LEED certification alone does not guarantee that buildings will reduce GHG emissions to the greatest extent possible. LEED provides a great deal of flexibility among six different categories of sustainability, including energy use and site selection –

the two categories most likely to have an impact on greenhouse gas emissions. Therefore, while LEED is an important tool for Seattle in meeting our reduction targets, we are also examining the Seattle Energy Code (for commercial buildings) and working with the State on the residential building code to examine opportunities to achieve emissions reductions through code changes. These changes would apply to all permitted projects and therefore address the threshold question. In addition, we are considering integrating ASHRAE Standard 189, a nationally developed standard for the Design of High-Performance, Green Buildings that would apply to all construction, including buildings under 5000 square feet.

14. How does City Light's rates compare nationally with other utilities? (Peggy)

Seattle City Light has the lowest rates in the United States compared to comparably sized cities.

15. I applaud your Seattle Climate Partnership. Do you agree that your *voluntary* pact is a prime example of how public-private partnerships can be beneficial, rather than forcing the private sector to reduce emissions through law and regulations?

We do see great value in engaging business in this voluntary partnership. In reality, many organizations are reluctant to take significant steps to reduce emissions without the certainty that regulation would bring. Therefore, we find that both standard regulations, and voluntary programs that provide opportunities for partnerships to develop additional mitigation actions, are great compliments of each other.

16. Just as RGGI took regional differences into consideration, so does the Western Regional Climate Action Initiative. Do you believe that all states should be directed to achieve the exact same goals, despite drastically different regional energy resources?

Ideally, the Western Regional Initiative (WRI) will adopt a uniform program with common goals for each state within the WCI. Such as system is the most equitable, and would also be much easier both for stakeholders that will need to comply with the new rules and for regulators that must enforce them. But just because all states need to meet the same goal does not mean that they have to take the same path to get there. Different regions of the county will find that they need to pursuer different policies to reach their goals and any system should recognize those differences when they are being designed.

STATEMENT

Antonio R. Villaraigosa
Mayor of the City of Los Angeles

House Select Committee on Energy Independence and Global Warming
Field Hearing on "Big Cities, Bright Lights: Pathways to a Clean Energy Future"
in Seattle, Washington on November 2, 2007

Good afternoon, Chairman Markey, and distinguished members of the Committee. It is a pleasure to appear before you. I am Antonio Villaraigosa, Mayor of the City of Los Angeles. I want to thank the members of this committee for the opportunity to address these extremely important policy issues facing our country.

We know that global warming is a real and gathering threat to our very way of life, and a threat to the earth's ecosystem. Our collective belief is what brings us here today. We all share in the responsibility to address global climate change.

My city, the City of Los Angeles is one of the world's greatest cities, but our impact on the global environment is huge. Citywide emissions account for fifty-one-point-six million metric tons of carbon dioxide emissions, which is roughly equal to ten million cars on the road every year.

The world's top atmospheric scientists predict that global temperatures are likely to rise between three-point-five and thirteen degrees Fahrenheit in California alone.

And sea levels are likely to increase seven to twenty-three inches by the end of the century if we continue burning fossil fuels at the current rate.

Cities have been on the forefront of fighting global warming. Cities are the first responders, the front lines of natural catastrophe. We do not have the time or the luxury to engage in long debates about a crisis that is all too familiar in our cities.

We see the threats and impacts of climate change unfolding in front of our eyes.

For the City of Los Angeles, we see longer and hotter summers, we are experiencing a severe drought, our loss of water threatens public health and our economy, and we have seen the devastation caused by wildfire.

The wildfires were responsible for the single largest evacuation in California history. We saw more than 500,000 people evacuated in Southern California.

Winds fanned a fire that destroyed more than 2,000 homes and charred more than 690 square miles. That's one and a half times bigger than the entire city of Los Angeles.

In May 2007, I unveiled *Green LA*, the City's action plan to lead the nation in fighting global warming. *Green LA* is an action plan that builds upon the bold policies and projects already being implemented to green Los Angeles.

We will achieve a 20% renewable energy goal by 2010, and we are increasing the renewable energy sold by the Department of Water and Power – the largest municipal utility in the country -- to 35% by 2020. We adopted an aggressive Clean Air Action Plan for the ports of Los Angeles and Long Beach that will reduce port air pollution by 45%. The City of Los Angeles has mandated green building standards for all new public buildings, and we have grown our alternative fuel fleet to be the largest municipal alternative fuel fleet on the West Coast.

The City of Los Angeles is leading the way in fighting global warming. Together, we can and must do more.

Our Green LA plan will reduce the City of Los Angeles' greenhouse gas emissions thirty-five percent below 1990 levels by 2030 and achieve 35% renewable energy by 2020 - one of the most ambitious goals set by a major American city.

To achieve this goal, I know we *must* be aggressive. We *have* to be bold.

We look to reduce our city-wide emissions by nearly nineteen million metric tons, which is equivalent to the annual carbon footprint of one million people or the entire carbon footprint of the Dominican Republic.

We look to reduce energy consumption, to transition to renewable power sources, and to change the ways we commute to work and school.

We are creating jobs and growing our economy by investing in green technologies.

We are redesigning our city to increase parks and open space and increasing water efficiency. We are creating incentives for investments in innovative technology, setting smart new standards for building green and land use planning, and increasing solid waste recycling.

Chairman Markey and members of the Committee…I applaud you for taking leadership on our global climate crisis.

Increasingly, we are all members of a larger global community, joined in more ways, in more places, and by more technologies than we can possibly identify or enumerate.

And more than ever, we are linked by common global environmental and economic challenges. Just as NO family would watch its house burn down without rallying the community to fight the fire, we need to sound the alarm, and face this global challenge together.

It's time for critical thinking and innovation.

We need to change the way we do business, to use the collective purchasing power and political will of cities across the US to stimulate a green economy.

We must prime our workforce and technology to grow green and lead us into a future where our way of life is not threatened by environmental disasters and harm to the public health. Representative Hilda Solis, from Los Angeles is championing the need to train a new generation of our workforce to capitalize on the growing green economy.

We must think beyond the obvious to understand the greater connections and consequences between life in cities and the havoc we wreak on our environment.

We must rethink the greatest contributors to our changing climate - electricity generation and transportation.

We need to rebuild our cities to smartly plan for transportation where the built environment and land use are linked.

It's time we take control of our economy and plan for people and healthy communities by stimulating green growth in our cities.

Transportation is the fastest growing source of carbon emissions in the country. In 2005, the transportation sector emitted 33% of all U.S. energy-related emissions. And in Los Angeles, the car-capital of the world, transportation related emissions were more than 50% of the total carbon emissions in the City.

Across the country, cities are reducing our dependence on fossil fuels and investing in hybrid technology for municipal operations. Los Angeles, for example, has the largest municipal alternative fuel fleet on the West Coast, and we are replacing nearly all of our passenger vehicles, trash collection trucks, and street sweepers with hybrid and alternative fuel vehicles – saving 10.6 million gallons of gasoline and 3.3 million gallons of diesel per year.

Members of the Committee…Cities are leading the way. The federal government must also lead.

We ask for more focus on new and **alternative engine technology**. And we must find innovative ways within our federal tax codes to provide incentives to auto manufacturers to produce alternative fuel passenger, light duty and heavy duty vehicles. And we must provide incentives for consumers – businesses or individuals – to purchase these vehicles.

Cities look to the federal government to support **green electricity generation, and capitalize on our country's renewable resource opportunities**. In Los Angeles, for

example, we have set an aggressive goal to generate 20% of its electricity from renewable sources by 2010 and 35% by 2020. Since July 2005, the city's Department of Water and Power increased nearly tripled its renewable energy portfolio. We are also pioneering a groundbreaking project to convert biomass into clean energy. The Terminal Island Renewable Energy (TIRE) Project injects biosolids into depleted oil and gas reservoirs. With naturally occurring high temperatures and pressure, the biosolids will become gas that will then be converted to electricity. The TIRE Project creates renewable energy, reduces trucking costs associated with transporting biosolids, and reduces greenhouse gas emissions by sequestering biosolids underground.

And finally, our national leadership needs to recognize that it is time **change the way we build** in this country. According to the U.S. Energy Information Administration (US EIA), buildings are responsible for almost half, forty-eight percent of all energy consumption and greenhouse gas emissions annually. 76% of all power plant-generated electricity is used just to operate buildings.

Our national policy direction should capitalize on energy efficient programs, make resources available and eliminate barriers for green building. It is not simply about telling people to install a compact florescent light bulb, it is about providing the tools and incentives necessary to build green from the ground up.

Chairman Markey and Committee members, it is not *easy* being green. But we can't be a great country and a responsible global citizen if we don't assume global environmental leadership.

We need the support of strong policies at the federal, state, and local levels. We have the unique opportunity to advance an innovative environmental agenda at the national level with the strong leadership in Congress.

We have the state of California leading the country by example in the fight against climate change. And in Los Angeles, I have a commitment to make my city the cleanest and greenest big city in the nation.

As a nation, we must lead and confront our most daunting set of challenges we face in our collective fight against global warming.

Chairman Markey and distinguished members of the Committee, thank you for your commitment and leadership.