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GREEN CITIES: MAYORAL INITIATIVES TO REDUCE GLOBAL WARMING POLLUTION

HEARING

BEFORE THE

SELECT COMMITTEE ON
ENERGY INDEPENDENCE
AND GLOBAL WARMING
HOUSE OF REPRESENTATIVES

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HEARING ON GREEN CITIES: MAYORAL INITIATIVES TO REDUCE GLOBAL WARMING POLLUTION

TUESDAY, JUNE 19, 2007

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

The Committee met, pursuant to call, at 2:00 p.m., in Room 2247 Rayburn House Office Building, Hon. Edward J. Markey, Jr. [chairman of the Committee] presiding.

Present: Representatives Markey, Sensenbrenner, Blumenauer, Cleaver, Miller, Hall, Solis, Inslee, McNerney, and Herseth Sandlin.

The CHAIRMAN. Good morning. Good afternoon. Welcome. As Tip O'Neill used to say, all politics is local, although he probably picked that up from Mayor Daley's father. Today we will hear from three of the nation's greenest mayors about local solutions and the role cities can play in reducing the nation's oil imports and global warming pollution.

Cities are both a cause and a solution to global warming. Worldwide cities comprise two percent of land mass but account for 78 percent of all greenhouse gas emissions. As city populations continue to increase, so will emissions.

While two-thirds of urban residents currently live in cities of less than a million people, mega cities with a population of more than ten million are increasing. In 1975, there were five. By 1995, there were 15. And by 2015, there are expected to be 26 of those cities worldwide.

While those numbers indicate an increasing responsibility for global warming pollution, cities are taking bold measures to reverse policies and actions that contribute to global warming.

Though President Bush rejected the Kyoto treaty and the United States' requirement to reduce seven percent greenhouse gas emissions from 1990 levels by 2012, 529 mayors have pledged to do so.

As Congress debates auto efficiency standards, cities are already converting transit and municipal fleets to use hybrid energy, natural gas, or biodiesel fuel.

Two weeks ago, the Administrator of the Environmental Protection Agency, our nation's chief environmental minister, refused to concede before this Committee that carbon dioxide is a danger to the public health.

Meanwhile, cities have been guided by science. For example, a 2004 Harvard Medical School study has linked climate change to the childhood asthma epidemic among inner city youth.

As a result of this and other factors, cities are already promoting transit-oriented development, planning to reduce sprawl, and supporting mass transit and bicycle paths to reduce global warming pollution. These bold actions have occurred because leaders and residents of these cities realize the importance of these actions.

Furthermore, many U.S. mayors are not content to effectuate change in their cities alone. They are partnering with national and international organizations to discuss the best practices that are available.

The three witnesses before us today are all signatories to the U.S. Conference of Mayors' Council on Climate Protection. The Council on Climate Protection providers mayors the tools they need to carry out their mission to meet or beat the Kyoto protocol targets in their own communities through actions ranging from: one, anti-sprawl land use policies, urban forest reforestation, restoration projects, and public information campaigns; two, urging their state governments and the federal government to meet or beat the greenhouse emission reduction target suggested for the United States in the Kyoto protocol; and, three, urging the U.S. Congress to pass greenhouse gas reduction legislation and establishing national emissions trading systems.

The mayors invited to speak before the Committee today represent a myriad of approaches to reducing the global warming pollution locally. Their cities range in populations and geographic location.

Gainesville, Florida's tree cover and conservation policies protect infrastructure and land from hurricanes increasing in number and intensity. The city is also maximizing its public utility to run efficiently.

Portland was the first U.S. city to adopt a local global warming policy. And it is the first city to meet the reduction goal of the Kyoto treaty. Portland's location in the Pacific Flyway means that the city must give special attention to the critical resting, feeding, and nesting habitat for migratory birds.

And Chicago's dense urban population requires flexible planning and urban forestry, as evidenced by the green rooftops throughout Chicago. The city has also linked training with their environmental goals. Chicago's Department of Environment created the Chicago Center for Green Technology, Green Tech U., to train people in green building practices.

I am pleased to have these mayors before us today. It is a special treat. My time for an opening statement has expired. I turn to recognize the gentleman from Wisconsin, the ranking member of the Committee, Mr. Sensenbrenner.

[The statement of Mr. Markey follows:]

Opening Statement for Edward J. Markey (D-MA)
"Green Cities: Mayoral Initiatives to Reduce Global Warming Pollution"
Select Committee on Energy Independence and Global Warming
June 19, 2007

Welcome. As Tip O'Neill said, "All politics is local." Today we will hear from 3 of the nation's greenest mayors about local solutions and the role cities can play in reducing the nation's oil imports and global warming pollution.

Cities are both a cause of and solution to global warming. Worldwide, cities comprise 2% of land mass but account for 78% of all greenhouse gas emissions. As city populations continue to increase, so will emissions. While two-thirds of urban residents currently live in cities of less than a million people, "mega cities" with a population of more than 10 million are increasing. In 1975 there were five, by 1995 there were 15 and by 2015 there are expected to be 26. While these numbers indicate an increasing responsibility for global warming pollution, cities are taking bold measures to reverse polices and actions that contribute to global warming.

Though President Bush rejected the Kyoto treaty and the United State's requirement to reduce seven percent greenhouse gas emissions from 1990 levels by 2012, 529 mayors have pledged to do so. As Congress debates auto efficiency standards, cities are already converting transit and municipal fleets to use hybrid energy, natural gas or biodiesel fuel. Two weeks ago, the administrator of the EPA—our nation's chief environmental minister—refused to concede that carbon dioxide is a danger to the public health. Meanwhile, cities have been guided by science. For example, a 2004 Harvard Medical School study has linked climate change to the childhood asthma epidemic among inner-city youth. As a result of this and other factors, cities are already promoting transit oriented development, planning to reduce sprawl and supporting mass transit and bicycle paths to reduce global warming pollution.

These bold actions have occurred because leaders and residents of these cities realize the importance of reducing global warming pollution. Mayors are realizing that good environmental policy is good governance. There are significant cost savings associated with municipal utility efficiency, smart growth and low energy street and traffic lighting. The simple act of planting more trees can decrease the cost of sewer maintenance, electricity bills, and improve the aesthetic and economic value of an area. Light emitting diode (LED) bulbs in traffic signals use 88% less electricity than incandescent bulbs, reducing pollution from energy production. Pedestrian, bicycle and transit planning will result in easier road maintenance. Best of all, these actions make cities more desirable places to live, increasing the tax base and creating a wealthier—and healthier—city.

Furthermore, many US mayors are not content to effectuate change in their cities alone; they are partnering with national and international organizations to discuss best practices and create an aggregate impact on global warming. The three witnesses before us today are all signatories to the US Conference of Mayors Council on Climate Protection. The Council on Climate Protection provides mayors the tools they need to carry out their mission to meet or beat the Kyoto Protocol targets in their own

communities, through actions ranging from (1) anti-sprawl land-use policies, urban forest restoration projects and public information campaigns; (2) urging their state governments, and the federal government, to meet or beat the greenhouse gas emission reduction target suggested for the United States in the Kyoto Protocol; and (3) urging the U.S. Congress to pass greenhouse gas reduction legislation and establish a national emissions trading system.

To date, 529 mayors representing more than 65 million Americans have signed the U.S. Mayors Climate Protection Agreement.

The Mayors invited to speak before the Committee today represent a myriad of approaches to reducing global warming pollution locally. Their cities range in populations and geographic location. Gainesville, Florida's tree cover and conservation policies protect infrastructure and land from hurricanes increasing in number and intensity; the city is also maximizing its public utility to run efficiently. Portland was the first U.S. city to adopt a local global warming policy and is the first city to meet the reduction goal of the Kyoto treaty. Portland's location in the Pacific Flyway means that the city must give special attention to the critical resting, feeding and nesting habitat for migratory birds. This habitat is an important element of the urban ecosystem and an indicator of the health of the urban environment. Chicago's dense urban population requires flexible planning and urban forestry, as evidenced by the green rooftops throughout Chicago. The city has also linked training with their environmental goals. Chicago's Department of Environment created the Chicago Center for Green Technology "Green Tech U" to train people in green building practices, landscape design, engineering and do-it-yourself projects.

I am pleased to have these mayors before the Committee today to discuss what has worked for their communities and what their challenges have been. They have been performing a public service despite tepid support from the federal administration, and I look forward to hearing what Congress can do to assist their laudable efforts.

Mr. SENSENBRENNER. I thank you very much, Mr. Chairman.

Last week I gave a speech to the Energy Efficiency Forum, where I said that as Congress searches for solutions to global warming, we should be mindful of what works and what doesn't.

I noted that President Bush's emphasis on voluntary reductions of greenhouse gas emissions, which helped the U.S. reduce its carbon dioxide emissions by 1.2 percent last year, was proving more effective than many European countries' efforts to reduce greenhouse gases under the Kyoto treaty.

From the early indications, it seems that the Kyoto treaty isn't working. Many European countries are far off their emission goals. Unfortunately, meeting the targets set forth in the Kyoto treaty isn't as easy as it sounds, as shown by some of the testimony we will receive today from mayors across the country.

The testimony of Gainesville, Florida mayor, Hanrahan, shows how exceedingly difficult it is to meet the Kyoto treaty's goal of reducing greenhouse gases by seven percent from 1990 levels. Gainesville has introduced several initiatives to help reduce greenhouse gas emissions but is still on path to exceed its target by one million tons, or 36 percent.

The headline in yesterday's Chicago Tribune—and, for the record, I got mine on the online version, rather than by buying a tree that the Chicago Tribune bought to print the thing up—suggested Mayor Daley of Chicago is also finding it difficult to meet the city's green goals. The Tribune article said that the Chicago city government is falling well short of its goals of reducing greenhouse gas emissions.

Since Chicago is one of nine city, state, or county governments participating in the voluntary Chicago climate exchange, the article notes that Chicago taxpayers could soon be forced to buy greenhouse gas allowances.

I am not criticizing either Chicago or Gainesville for their efforts. I led the congressional delegation to the Kyoto treaty negotiations in 1997. And I said back then, as I continue to say today, that the Kyoto treaty set forth unrealistic goals. In January, the Institute for Local Self-Reliance, a Minneapolis-based nonprofit, released a survey of ten Kyoto cities in the U.S. And there are difficulties in meeting the emissions reductions that at least 500 mayors have endorsed by signing onto the U.S. Conference of Mayor's climate protection agreement.

The report estimated that most of these cities will fail to meet the goals. The report also notes that many greenhouse gas reduction initiatives are funded from state and federal sources. If cities, counties, and states want to take efforts to reduce greenhouse gas emissions, that's great. But residents of these local governments should not expect a free ride in the cost of making the reductions. After all, it is a lot easier to say you are reducing emissions than to actually pay for the reductions.

To paraphrase former U.S. Supreme Court Justice Louis Brandeis, state and local governments can be laboratories for democracy and policy. As Congress searches for what works in global warming policy, we should closely examine what is working in the states and cities across the country but also what isn't.

With that in mind, I am interested in hearing more from Portland. Portland has been working on greenhouse gas reductions for more than a decade. And Mayor Potter is able to claim actual reductions from the city's 1990 levels while still showing economic growth. However, with all of its successes, Portland still isn't meeting the Kyoto goal.

I am sure Mayor Potter has several ideas about what works and what doesn't. Specifically I am interested in hearing from him about what role land management policy played in achieving the results. I am also interested in hearing the economic growth Portland experienced during that period. I believe that any global warming policy has to protect jobs and the economy. And I would like to know more about how Portland was able to achieve this balance.

In reading the testimony for today's hearing, I see many references to technological initiatives that could be very promising. As I have said before, advancing technology must be a key principle for any global warming policy.

And I am pleased to see city mayors looking for technological solutions. By implementing a new technology in their cities, these mayors are giving all of us a chance to see what works and what doesn't. And I think Congress should pay close attention to the results.

Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired. The Chair recognizes the gentleman from Oregon, Mr. Blumenauer.

Mr. BLUMENAUER. Thank you, Mr. Chairman.

The CHAIRMAN. I will give you this microphone. I will ask the staff, if they could, to please try to find someone who can see if they can make the other microphones operative.

The gentleman from Oregon.

Mr. BLUMENAUER. Thank you, Mr. Chairman.

Perhaps limiting the Committee to one microphone might have ancillary benefits. I am sure Mayor Daley wants to do that with his city council.

I appreciate very much your scheduling this hearing and bringing people together from the front lines. As I mentioned to the Chairman, I hope this doesn't make him think that he is off the hook to schedule a hearing in Portland, where we can watch it on the ground.

Before making my opening comment, I do want to make a reference to Mr. Walden, who, Mayor Potter, was sorry is not here. He had a death in the family and had to go back. And he wishes that he were here to greet you in person.

Mr. Chairman, your point about the focus for the problems that relate to global warming in the urban environment I think are very important. We are now witnessing for the first time in human history half the world's population living in cities. And the growth that is going to occur between now and 2050, two and a half billion people will be concentrated in these urbanized areas. And what we have here today are some examples of some leadership that has been exercised around the country that will help us understand how we cope with this.

I obviously have a soft spot in heart for Portland, having a chance to have done a lot of the work with Mayor Potter in the past and having harassed the Committee a little bit about these items, I really appreciate the chance to have somebody referencing it on the ground.

Chicago really hasn't gotten the attention I think that it deserves for its leadership with the Metropolis 2020, with the work that Mayor Daley has done, not just in his city but with the metropolitan initiative. And I look forward to hearing what is going on in Gainesville.

Mr. Chairman, I hope that we will be able in the course of the testimony and the interaction with our witnesses to focus because I do agree with what our ranking member said. It is difficult to do. But I think the experience we found in our community is it actually can have positive effects. It actually brings young people, well-educated and interested, to come to a community like that. And the focus I think ought to be on how the federal government partners with our friends so we can achieve this difficult task together.

Thank you.

The CHAIRMAN. Thank you.

The gentleman's time has expired. The Chair recognizes the gentle lady

Ms. MILLER. Mr. Chairman, in the interest of time, I will forego any opening statement. I just want to welcome the witnesses. I am delighted to have all of them here. And I want to recognize Mayor Daley's great work on the Great Lakes. And I appreciate them coming. And I will forego an opening statement.

The CHAIRMAN. The Chair recognizes the gentle lady from California, Ms. Solis.

Ms. SOLIS. Thank you, Chairman Markey. And thank the witnesses for being here also.

I am not going to read my statement. I will submit it for the record.

But just to tell you that in a diverse district that I represent, two of my cities that have well over 70 percent minority population—one is Chinese, one is Hispanic—they have decided to be partners in sustainable growth. And they want to know how the federal government can become bigger partners in this. So I am dying to hear what you have to say and look forward to that and would just ask that my statement be submitted for the record.

The CHAIRMAN. Great. The Chair recognizes the gentleman from Kansas City, the former mayor of Kansas City, Mr. Cleaver.

Mr. CLEAVER. Thank you, Mr. Chairman.

In the interest of time, I will forego my opening statement except to welcome the people who serve on center stage in the American drama: the mayors.

One of the things we have heard, you know, both at home and abroad, is that America is not doing anything with regard to global warming. And that is not true. The federal government is not doing anything with regard to climate change, but the mayors of our country, representing 65 million people, are, in fact, on the front line. And you have already moved to respond to the Kyoto agreement by reducing greenhouse gas emissions 7 percent by 2020. So I just want to commend you and thank you for being here.

The CHAIRMAN. Okay. The Chair recognizes the gentleman from California, Mr. McNerney.

Mr. MCNERNEY. I just want to welcome the mayors. I think the cities in this country are showing tremendous leadership. And they have a lot to offer. Cities like Los Angeles, Chicago are tremendous sources of greenhouse gases. And the buildings in these cities and the buildings across America produce more greenhouse gas my understanding is than the transportation. So there is a tremendous opportunity. Leadership can be taken and found. And if you guys run with this, it will really put us forward.

So I really look forward to hearing you. I welcome you to this hearing. And I will reserve the balance of my time.

The CHAIRMAN. Great. The Chair recognizes the gentle lady from South Dakota, Ms. Herseth Sandlin.

Ms. HERSETH SANDLIN. Thank you, Mr. Chairman, for having the hearing. I, too, will be brief.

I want to welcome our witnesses today. I have learned a tremendous amount in representing a sparsely populated state, like South Dakota, from my good friend, Mr. Cleaver, former mayor of a major metropolitan area, learning of his initiatives and look forward to hearing from his colleagues in the initiatives that you are undertaking to address greenhouse gas emissions.

Thank you, Mr. Chairman. I yield back.

[The prepared statement of Mr. Cleaver follows:]

U.S. Representative Emanuel Cleaver, II
5th District, Missouri
Statement for the Record
House Select Committee on Energy Independence and Global Warming Hearing
"Green Cities: Mayoral Initiatives to Reduce Global Warming Pollution"
Tuesday, June 19, 2007

Chairman Markey, Ranking Member Sensenbrenner, other Members of the Select Committee, good afternoon. As a former mayor of Kansas City, Missouri, it is my pleasure to welcome our distinguished panel of mayors to the hearing today.

Kansas City composes 322 square miles, which makes it three times the size of St. Louis. Although the size is immense, there is only one station in Kansas City that supplies E85. Clearly, this is not sufficient for such a large land area. Nationally, there are 11 million flex-fuel vehicles on the road, but there are few stations that have E85 available.

Americans need more access to alternatives to conventional gasoline, if we, as a country, are serious about ending our dependence on foreign oil. Cities are plagued with traffic congestion, and consequently large quantities of greenhouse gas emissions are a severe problem in metropolitan areas. Emissions in cities account for 78% of the total amount, but cities are making impressive gains in working to reduce these harmful greenhouse gases. Alternatives to conventional gasoline such as E85 and electricity to power vehicles can potentially aid this problem if Americans have the option to use them.

Congress needs to use its position to increase the accessibility of alternative fuels for vehicles, especially in cities, to decrease emissions and to gain energy independence. Additionally, more efficient forms of transportation should be encouraged, like light rail. Cities such as Chicago and New York have impressive light rail systems, and it is my hope that Kansas City will some day follow in their example. Light rail systems serve as a low-cost and convenient option for city residents, and most importantly their use would utilize less energy than if those individuals drove their vehicles instead. Investment in such infrastructure should be made if areas where it is feasible.

Emissions and global warming should be addressed comprehensively, in order for action to be effective. The utilization of alternative, renewable fuels along with the development of mass transit in urban areas will help to reduce emissions and allow our nation to become closer to achieving energy security. Our country's mayors, particularly those who are testifying before us today, have made impressive advances in achieving these goals. I thank them for their insight and their suggestions concerning this vital issue.

Thank you.

The CHAIRMAN. Great. So that concludes opening statements from the members of the Select Committee. So we will now turn to our extremely distinguished panel. We will begin with mayor Pegeen Hanrahan, the Mayor of the City of Gainesville. She was reelected mayor in March of 2007. She is a registered professional engineer and holds a Master's degree in environmental engineering from the University of Florida. So you couldn't have a better prepared mayor to take on these challenges.

We welcome you, Madam Mayor. Whenever you are ready, please begin.

Ms. HANRAHAN. Thank you so much, Chairman Markey and members of the Select Committee.

STATEMENTS OF PEGEEN HANRAHAN, MAYOR, GAINESVILLE, FLORIDA; TOM POTTER, MAYOR, PORTLAND, OREGON; AND RICHARD M. DALEY, MAYOR, CHICAGO, ILLINOIS

STATEMENT OF PEGEEN HANRAHAN

Ms. HANRAHAN. It is a great honor to be here. I want to address the three questions that you asked in the invitation. First, what got Gainesville interested in the issue of global warming and what caused us to take it on? Second, what are we doing to try to impact our greenhouse gas emissions? And then, third, how can our federal government help?

Gainesville you may know is most distinguished as the home of the University of Florida, which has about 50,000 students, is the fourth largest university in the nation. And we are the 12th largest in terms of research dollars.

We are our state's land grant university. And as such, we have very prestigious programs in agriculture, engineering, life sciences, and other areas of primary research that tell us about the actual occurrence of global climate change and, maybe more importantly, what we can actually do to change it.

We are also fortunate to be a public power community. Gainesville Regional Utilities serves about 89,000 residential and commercial customers. We are the fifth largest public utility in Florida. And we offer electric. We have two electric generating stations, one primarily goal, one primarily natural gas. We have water waste, water telecommunications, and also natural gas.

So a number of years ago, about four years ago, we got concerned about our energy supply future and how we were going to meet our growing needs.

As you know, Florida is a very strong growth state. And what we first were brought by our staff is what would you call a clean coal technology. But as we looked further into the issue, both our citizens and our elected officials became concerned about not only the environmental cost of moving forward with that option but also the economic cost.

So today, in fact, we are looking at other alternatives, including biomass-based alternatives. We visited many other communities to look at their options in that area. And we are excited by the technological advances, including things like plasma arc technology, which I saw demonstrated at Georgia Tech University. We are a very forestry-rich area. So there is a lot of waste wood.

We are also first seeking to maximize our opportunities with respect to energy efficiency. But I will get back to that in just a moment.

A second major motivator was, of course, the impacts of major storms. Although Gainesville is an inland community, we were very severely hit by Hurricanes Jean and Francis in 2004. We lost 70 percent of our electrical grid.

And, as you I am sure realize, there has been a great insurance crisis in the State of Florida. My husband's home community of Pensacola lost about 16,000 homes, either community or through severe damage. And then, of course, with our coastal areas, the sea level rise threat is quite substantial.

This also impacts our agricultural situation. We are the nation's fifth largest agricultural state.

So, in summary, we are concerned about our pocketbook, our sense of security, and the very food that we eat.

So what are we doing? Through our public utility, we are offering residential incentives for upgrading air conditioning, repairing leaks in air ducts, heat recovery units for electric water heaters, solar water heaters, a number of programs specifically for low-income residents, including low-interest loans, and we actually have high school students going door to door in lower-income neighborhoods, switching out light bulbs.

We also have substantial benefits for our commercial customers, including rebates of up to 40,000 per location for up to 50 percent of the project costs. And these work very nicely with the state and federal benefits that are provided for. We also have a landfill gas to energy project, where we gather the methane from a closed county landfill. We repowered an older steam generating plant. We have green building programs and so on.

I do want to address some of the statements. It is true that we are a signatory to the Conference of Mayors climate protection agreement and that we are not currently on track to fully meet that 7 percent reduction from 1990 levels by 2012.

Energy use is rising across the United States, and Gainesville is no different. However, I would say, even if we continue our current fuel mix, we are only 36.8 percent below goal. If we make the changes that we are talking about, we will I think be able to meet it.

I do want to close by saying we do support the energy and environment block grants in terms of what Congress can do to assist us. We are very fond of CDBG. And that is a nice program that addresses the local needs. We also support clean renewable energy bonding program. The American Public Power Association is suggesting some changes to that.

The federal government can help with programs related to transit. We are a very strong transit community. We had a million and a half passengers a year in '96, when I was first elected. We have over nine million today. Transit can work if it is done properly and land policy related to conservation easements, agricultural easements, transfer of development rights, and so on.

I will close. I know my time has concluded. But I also do want to state that I am very impressed by your willingness to take this

on and engage in this debate. And I am very happy to answer any questions you may have.

[The prepared statement of Ms. Hanrahan follows:]

Testimony by Mayor Pegeen Hanrahan of Gainesville, Florida
for the U.S. House of Representatives Select Committee
on Energy Independence and Global Warming
June 19, 2007

Good Afternoon, Chairman Markey and Members of the Select Committee. Thank you for your service to our nation, and for the opportunity to speak with you today regarding mayoral initiatives to reduce global warming pollution. Your invitation asked that I address the questions of why global warming has become an important issue in our city, which local programs have successfully reduced greenhouse gas emissions, and what state or federal policies would assist local communities in the fight against global warming.

Why Global Warming has become Important in Gainesville, Florida

Gainesville is most distinguished as the home of the University of Florida, our state's flagship public research university. UF has an enrollment of nearly 50,000 students, making it the fourth largest university in the United States, and ranking in the top twelve public universities in research dollars. With prestigious programs in agriculture, engineering, and life sciences, among others, UF is a source of primary research regarding the potential impacts of climate change and opportunities to create a most optimistic alternative future.

We are fortunate that our citizens are actively engaged in local decision-making processes, including those related to Gainesville Regional Utilities, our municipally-owned supplier of electric power, water, wastewater, natural gas and telecommunication services. GRU is the fifth largest municipal electric utility in Florida, serving approximately 89,000 residential, commercial and wholesale customers. In 2003, we started a detailed public decision-making process regarding our future power-supply options, as our population is steadily growing and our existing energy resources, comprised of a 220 MW coal power plant and 380 MWs of natural gas power plant capacity, are not expected to fully cover our energy demands through the next decade. Based primarily on existing economic conditions, our utility staff originally recommended we expand our coal capacity, using what could be characterized as a well-accepted "clean coal" technology.

In the course of the public dialog, however, our citizens and our city commission became increasingly concerned about both the economic cost and the environmental impact of expanding our coal-based electrical generating capacity. We started to review other alternatives, and today we are on a path toward dramatically increased energy conservation programs, a biomass-based power plant, and new collaborations with other utilities, the agricultural and sivicultural industries, and energy entrepreneurs. Last Monday night, we made the decision to move forward with a request for proposals for meeting our future energy needs through some combination of carbon-conscious technologies. We are excited by the opportunities, and are examining everything from burning waste wood from sustainable forestry operations, to producing energy from municipal solid waste using cutting edge plasma arc technology. But first, we are seeking to maximize our community's

opportunity to save energy. I will outline some of the programs we are providing for this purpose in a moment.

A second powerful motivator for our community's concerns regarding global warming surrounds the climate changes we are already seeing in our state. Despite being an inland community, Gainesville has suffered dramatic impacts from Florida's recent extreme weather, most notably by Hurricanes Frances and Jeanne in 2004. During the first of these storms, we lost approximately 70% of our electrical grid, and many residents were out of power for several days. Due to our heavy tree cover, numerous structures suffered substantial damage, including my parents' house, which had a large oak limb through the roof. In my husband's home community of Pensacola, more than 16,000 homes were severely damaged or destroyed in the storms of 2004 and 2005. In reality, Florida's coastal communities like Pensacola are at far greater risk than inland cities like Gainesville, with the potential threat of sea level rise likely putting much of our valuable coastal real estate under water.

As you know, based on both past experience and future unpredictability, Florida is suffering through a major insurance crisis. Even those of us who have never made claims against our policies are seeing our insurance bills rise 30% or more, or are being dropped by our insurance companies. Our legislature has pledged to subsidize high-risk properties through a government-created insurer of last resort, thereby spreading risk to all Floridians, not just those in the path of the storms. As a native of Florida, I've seen the shift in weather patterns even within my own memory, with warmer winters, hotter summers, stronger storms and protracted droughts. This is impacting our agricultural industry, and Florida is the nation's fifth leading agricultural state with about 1/3 of our 35 million acres devoted to agricultural production.

In summary, our community has become concerned about climate change because it is affecting our pocketbooks, our sense of security, and the very food we eat.

Which Local Programs are Successfully Reducing Greenhouse Gas Emissions

As a higher education community, Gainesville believes in harnessing the power of innovation to solve challenging problems. We are applying cutting edge technologies and adopting creative programs to give our citizens the opportunity to reduce their energy usage and lower their utility bills in the process.

For example, we are providing residential incentives for upgrading the efficiency of air conditioning systems, repairing leaks in air ducts, adding heat recovery units to electric water heaters, applying reflective roof coatings to mobile homes, adding insulation, trading in older refrigerators and room air conditioners, installing solar electric photovoltaics, and converting to solar water heaters, among others. Lower income customers have access to whole house renovation programs and energy surveys, and on-site light switch-outs, with local disadvantaged high school students going door-to-door to install compact fluorescent bulbs in lower income neighborhoods. Soon we expect to be offering low interest loans to enable customers to upgrade appliances and make home renovations.

For our business customers, we are providing rebates of up to $40,000 per location for up to 50% of the project costs to install customized energy conservation measures. These can include lighting replacements, HVAC upgrades, motors, controls, and so on. We have a program to replace incandescent and even fluorescent exit signs with more efficient LED's, and we even have a program to help save energy in vending machines with free "vending misers," which uses occupancy and temperature sensors to turn machines off during periods of inactivity. We are working with major national retailers like Home Depot and Lowe's to provide discounted compact fluorescent bulbs and room air-conditioner exchange events, and today we are working with a large discount "big box" retailer to put a substantial solar photovoltaic array in the parking lot of one of their new stores, thereby creating enough energy to power 60 homes while providing hundreds of shaded parking spots. We're also providing a highly energy-efficient combined heat and power generating station for the new Shands Cancer Hospital in Gainesville, and are planning a district cooling system for University Corners, an eight story, three block hotel, condo, and retail redevelopment in our city's core.

Along with these new initiatives, Gainesville has a long history of public policies and projects that reduce greenhouse gases. For example, we have a landfill gas-to-energy project that captures methane from our closed county landfill. Methane has approximately 23 times the greenhouse warming effect as carbon dioxide. We also re-powered an older steam power plant into a combined cycle natural gas plant, thereby greatly reducing emissions, and we've upgraded the transformers in our power distribution grid to reduce line losses of energy.

During my own tenure in office, between 1996 and today, our bus system has gone from carrying about 1.5 million passengers per year to almost 9 million passengers per year, reducing automobile trips, improving traffic congestion and limiting the need for new parking facilities. This has been primarily through a partnership with the University of Florida. We have a green building program that provides incentives to local builders, and have incorporated green building and energy efficiency incentives into our community redevelopment tax abatement programs. Also, we have long encouraged best practices with regard to transportation and land use planning by advocating mixed-use development, urban infill, bicycle facilities and pedestrian-friendly design in our city. We are currently implementing a traffic management system that will use cutting-edge technology to synchronize all of the traffic signals throughout our city to improve the efficiency of traffic flow, thereby reducing tailpipe emissions, saving gas for our citizens, and even enabling creation of a wireless internet web throughout most of our city. The signals themselves will also be converted entirely to LED's, saving energy in that way as well.

For many years, we've had a robust land conservation initiative, strong tree protection ordinances, tree giveaways, and a tree planting program that insures at least 1000 trees per year are planted by the city within our municipal boundaries. With respect to our own city operations, we are actively reviewing opportunities for improving energy efficiency and reducing fuel usage throughout city government. I've even reached out to my friend John

Marks, the Mayor of Tallahassee, which is the home of our main football rival, FSU, to challenge him to a friendly competition in energy efficiency. Our Gators have become the undisputed victors on the football field and basketball court, currently holding both championship titles in men's collegiate athletics, so we need to find other arenas of competition where there's still a challenge. On a more serious note, we are also working with our county of Alachua, which has empanelled the Energy Conservation Strategies Commission, an expert volunteer group that is charged with creating an exhaustive list of specific policy recommendations that local government can implement to reduce per capita energy consumption. We also expect to participate in an upcoming global warming summit planned by Florida's Governor Charlie Crist.

While you can see that Gainesville is enthusiastically embracing the challenge and opportunity presented by climate change, the results to date fall somewhat short of where they need to be, if we are to collectively address this enormous threat to our local, national and international security. As a signatory to the U.S. Conference of Mayors' (USCM) Climate Protection Agreement, our intent is to meet or beat the greenhouse gas emission reduction targets suggested for the United States in the Kyoto Protocol, a 7% reduction from 1990 levels by 2012. Despite the many programs I've outlined, we are not quite on target to meet that goal. Frankly, energy use per capita has been rising, not falling, throughout most of the U.S., and Gainesville is no exception. Our estimate is that to meet the USCM's agreement goal, our community will need to produce no more than 1.75 million equivalent tons of CO_2 per year by 2012. If we stay on track at our current fuel mix and levels of consumption, we estimate that we will actually be producing 2.77 million equivalent tons of CO_2 per year by that date, 1.02 million tons over our goal. In order to meet the target, we will need to reduce our generation of greenhouse gases by an additional 36.8%.

Put this in context of the fact that all of the already implemented programs I've described, in energy efficiency, transit, forest conservation, re-powering of an older power plant, landfill gas to energy, solar programs and so on, add up to about 250,000 equivalent tons of CO_2 per year. With our new traffic signal synchronization system, and the expanded energy saving programs I've described, we expect to add another 260,000 equivalent tons of CO_2 reductions per year by 2012. That still leaves us 510,000 tons short of our USCM goal (a 22.6 shortfall). Also, consider that our estimated 1999 CO_2 production rate in the residential, commercial and transportation sectors is about 15.6 tons/person/year, as compared to the U.S. average of 24.5 tons/person/year. In other words, even though we believe that Gainesville citizens are only producing 64% as much carbon dioxide as the average U.S. resident, and even though we are implementing numerous programs to reduce emissions, we need to increase our efforts if we are to meet the goals scientists believe are necessary to avert dramatic changes to our global climate. This is where you, our leaders in the U.S. Congress, can help.

What State or Federal Programs Can Do to Assist Local Communities in the Fight Against Global Warming

First, we wish to add our voice to that of other cities and counties urging Congress to pass the proposed Energy and Environment Block Grant, as sponsored by Representative Wynn in H.R. 2447. Many of the energy efficiency and other carbon reduction programs I've described are capital-intensive, and require several years to show a return on investment. Less fiscally strong communities are unable to fund such programs, and we are unable to fund them to the extent we'd like. The new Energy and Environment Block Grant program, modeled to be similar to the Community Development Block Grant (CDBG) Program, would make funds available to local communities to tailor energy saving programs to their individual needs. The initial authorized funding is proposed at $4 billion annually, roughly equivalent to the CDBG funding level.

Also, as a member of the American Public Power Association, our city supports the legislation to extend and improve the Clean Renewable Energy Bond (CREB) program. We urge your support of HR 1821, introduced in the House by Congressman McDermott (D-WA). The bill adds a new definition of "public power entity" to the definition of a qualified CREBs issuer to ensure that public power systems will receive a more appropriate amount of CREBs, as Congress intended. The bill also makes a number of technical changes to the CREBs program to improve its efficiency and its ability to attract public power investment in renewable energy projects. Extension and improvement of the CREBs program are essential steps in enabling communities like ours to participate in achieving our common goals of U.S. energy independence and a reduction in greenhouse gas emissions.

Congress also can assist local governments in reducing carbon emissions by increasing access to capital and operating funds for transit systems, pedestrian and bicycle facilities such as urban trails, and traffic management systems to synchronize lights and reduce idling in traffic.

Congress can encourage protection of agricultural and natural lands, and related redevelopment of cities, through continuation and expansion of federal incentives for conservation easements, acquisition of natural lands, and transfer of development rights programs that create economic incentives for shifting development from low density suburban fringes to urban core areas.

We also believe that Congress should work with the states and the building industries to strengthen building codes to require maximum energy efficiency. Those areas of our nation that are controlling demand growth for new energy are doing so in great measure through better building codes. The state of California and cities such as Austin, Texas and Burlington, Vermont clearly demonstrate that substantial energy savings are achievable through better building codes. The American Institute of Architects (AIA) estimates that almost 50% of all U.S. greenhouse gas emissions come from buildings, so addressing building standards is of critical concern.

The federal government must also aggressively increase energy efficiency standards for appliances, equipment, and vehicles, including raising fuel standards for cars and trucks. We believe that if Congress requires better efficiency, which is clearly possible through better engineering, American industry and ingenuity will respond in the same way we put a man on the moon through the vision of President Kennedy.

We have observed the success of pollution credit trading programs in meeting Clean Air Act standards, and believe that there is a place for a carbon credit trading program in meeting our greenhouse emission reduction goals as well. By creating an economic value in reducing pollution, we provide a market incentive to do so.

We also encourage you to continue and expand tax credit programs and other incentives that encourage implementation of energy efficiency measures in homes and businesses, purchases of higher efficiency automobiles, and other carbon reduction efforts. We have frequently steered our residential and commercial utility customers to the IRS resources on energy efficiency tax credits, which can often make or break the cost effectiveness of a particular private sector project.

Chairman Markey, again, I thank you for the opportunity to speak with you today, and congratulate you on your commitment to address this critical issue. I am happy to respond to any questions the committee may have.

The CHAIRMAN. I thank you, Madam Mayor, very much.

Our second witness is Mayor Tom Potter of the City of Portland, Oregon. Congressman Blumenauer has been bragging about you and your city to the Committee here since its inception. And we are very lucky to have you here in town so that you can testify in Washington as we are considering this omnibus energy bill and the roles that cities play and maybe the help that Congress should give to the cities in the years ahead. Mayor Potter for 38 years has been the police chief, a community leader, civil rights activist. He was elected mayor in 2004.

Welcome, Mr. Mayor. Whenever you are ready, please begin.

Mr. POTTER. Thank you, Chairman Markey and also to the members of the Committee.

STATEMENT OF TOM POTTER

Mr. POTTER. My name is Tom Potter. I am the mayor of Portland, Oregon. I want to thank you for the invitation to testify today about the great progress we have made in Portland on reducing emissions and lowering energy dependence while at the same time making our community and our economy stronger.

I am proud of what we have accomplished in Portland to address global warming. And I believe we offer not only an example to follow but real hope in a situation that I believe is truly dire.

Portland has been dealing head on with global warming since 1993, when we created a global warming action plan that was the first of its kind by any U.S. city. Since that plan was adopted, we have reduced local greenhouse gas emissions to one percent below our 1990 level. I believe we are the only city in the United States that can make that statement.

But the real lesson for others is that we have not only been able to make our city and our planet healthier. We have also been able to do it in a way that has been good for our economy, good for job growth. Portland knows firsthand that we can combat global warming while keeping our country strong and growing.

Even as Portland's population was growing 16 percent, we were able to reduce our per capita emissions while adding jobs and growing wages three times faster than inflation.

These results are a combination of good public policy and real dedication by our citizens and our businesses. And to nurture this culture, the city has made some bold policy moves, the most fundamental of which was effective planning for growth.

Oregon law says that all cities must increase density in the urban core while preserving farmland outside the city. The idea is to keep the city compact, mix jobs with housing, and encourage development near transit; in other words, build in place that keeps people close to their jobs and recreation. This has not only been smart environmentally but has also had the social and economic benefit of keeping Portland's downtown alive, vibrant, and growing.

Where many American cities are losing their downtown, Portland's has become a highly coveted place to live, work, and play. Portland also has focused early on innovative transportation policies. Congressman Blumenauer, a member of this Committee, has been leading this effort for nearly 30 years.

Our choice in the '70s and '80s to use federal transportation dollars to build light rail systems, instead of freeways, is a corner of Portland's success, a cornerstone. A planned highway to Mount Hood that would have destroyed neighborhoods was shelved in favor of spending those dollars on a light rail system that people from around the world come to study.

Congressman Blumenauer, thank you again for your leadership. Today we have a world-class transit system that includes both light rail and modern streetcar service. The number of people riding transit has increased 85 percent since 1990.

While helping the environment, the economic bonus is that the long rail lines, we have seen literally billions of dollars of new development and investment, housing, and retail located primarily based on its proximity to public transportation. This synergy between transportation and land use has created a vibrant community for people to work, live, and play.

We have also worked hard to build demand for varied transportation choices. For instance, five percent of all trips in Portland are by bicycling. That has quadrupled in the last ten years. We are now putting in double-wide bike lanes to accommodate bike traffic.

This is partly because we have built the infrastructure that makes people feel safe on their bikes. Portland has over 275 miles of bike lanes, paths, and designated bicycle routes.

Portland has also a program called SmartTrips. We go into neighborhoods and talk to folks, asking them to start with a small change, shifting one car to two cars a week, instead of five. Residents can order transit, bike, and walking maps from the city. And those things are delivered to them within a few days. And I might add it is delivered by bicycle.

This program really works. In one neighborhood alone, we have reduced car travel by 19 million miles in one year. We are now in our fifth neighborhood. And each person has consistently shifted about ten percent of their drive-alone trips just by getting solid information and a little encouragement.

Because they are biking and walking and they are taking transit, Portlanders drive seven percent fewer miles per capita than they did in 1993. They use nine percent less gasoline per capita.

We are also looking hard at the buildings that we live and work in. Since 1987, the City of Portland has worked with landlords and building owners to weatherize more than 44,000 apartment units. The families who live in those buildings now save $4 million each year on their utility bills.

Portland has a green building policy that says any city building has to meet LEED gold standards and any private sector project getting public funds has to meet LEED silver standards. That is why Portland has more LEED-certified buildings than any other city in North America.

City hall has been leading by example. We save about $2.6 million a year on energy efficiency. For instance, we have changed all of our traffic signals to LEDs. We have retimed traffic flights. We have replaced our car fleets with hybrids and smart cars. Our diesel vehicles are 20 percent bio and 99 percent biodiesel. Parking meters are solar-powered. Drinking water systems include turbines to generate power and many other things.

In Portland, we know from experience that doing good by the planet can do good by the economy as well.

I want also to say that I believe that the federal government can be of great assistance to local communities. You can help prime the pump. Create the demand, and the results will follow. And I think Portland has borne that out.

Thank you.

[The prepared statement of Mr. Potter follows:]

Testimony of
Tom Potter, Mayor
Portland, Oregon
to the
Select Committee on Energy Independence and Global Warming
United States House of Representatives

June 19, 2007

Chairman Markey and Members of the Committee:

I'm Tom Potter, mayor of Portland, Oregon.

Thank you for the invitation to testify about the great progress we've made in Portland on reducing emissions, lowering energy dependence while making our community and economy stronger. I'm proud of what we've accomplished in Portland to address global warming, because I think we can offer real hope in a situation that is truly dire.

Portland has been dealing head on with global warming since 1993. While working to reduce emissions and make our city healthier, we've learned that these efforts have been good for our economy and job growth. Portland knows first hand that we can combat global warming and keep our country strong and growing.

All that it takes is real political will.

Portland's 1993 global warming action plan was the first of its kind by a U.S. city.

Since that plan was adopted, we have reduced local greenhouse gas emissions to 1% below our 1990 levels. I believe we are the only city in the United States that can make that statement.

We've achieved this reduction even though the population increased 16% during that time. In fact, per capita emissions here have fallen 14% since 1990.

Over the same period, the number of jobs in Portland increased by 14%, and average wages increased three times faster than inflation.

We've been able to get results through a combination of good public policy and real dedication by our citizens and businesses. This is part of a basic value set for Portlanders—we are proud of being good stewards of the environment, and we are equally proud of doing so in ways that benefit our economy and strengthens our community.

To spur this culture, the City has made bold policy moves. These policies work hand-in-hand with the voluntary choices by residents and businesses that actually reduce emissions.

The most fundamental building block of Portland's success in reducing emissions is that we have effectively planned for growth.

Oregon law says all cities must increase density in the urban core and preserve farmland outside the city. The idea is to keep the city compact, mix jobs with housing, and encourage development near transit arterials. Thus, we focus on infrastructure that keeps people close to their jobs and other daily activity.

This has not only been smart environmentally, but it has also had the social and economic benefit of keeping Portland's downtown alive, vibrant and growing. Where many American cities are losing their downtowns, Portland's has become a highly coveted place to live, shop and play.

Portland focused early on innovative transportation policies, and those efforts are paying dividends.

Congressman Blumenauer, a member of this Committee, has been leading this effort for nearly 30 years. Our choice in the 1970s and 80s to use federal transportation dollars to build light rail systems instead of freeways is a cornerstone of Portland's success. A planned highway to Mount Hood that would have sliced many neighborhoods in half was shelved in favor of spending those dollars on a light-rail system that people come from around the world to study. Congressman Blumenauer, thank you for your leadership.

Today we have a world-class transit system that includes both light rail and modern streetcar service, and the number of people riding transit has increased 85% since 1990.

Along rail lines we have seen literally billions of dollars of new development and investment—housing and retail located primarily based on proximity to public transportation, This synergy between transportation and land use has created a vibrant community for people to shop and live and work.

Five percent of all trips in the City are by bicycle. That's quadrupled in the last ten years. We are now putting in double-wide bike lanes to accommodate bike traffic.

This is partly because we have built the infrastructure that makes people feel safe on their bikes—Portland has over 275 miles of bike lanes, bike paths and designated bicycle routes.

We have also worked hard to build demand for varied transportation choices.

Portland has a program called "SmartTrips" that works with neighborhoods one at a time. We talk just to the people who want to know their choices, and ask them to start with a small change, shifting one or two car trips a week to an alternative mode.

Residents can order transit, bike, and walking maps from the City, and those things are delivered to them within a few days – I note that they are delivered by bicycle.

And this program really works. In one neighborhood alone we reduced car travel by 19 million miles in one year. We repeated the program in a second neighborhood and achieved 19 million miles in reduced trips there, too. We're now in our fifth neighborhood in five years, and in each neighborhood people have consistently shifted about 10 percent of their drive-alone trips just by getting solid information and a little encouragement.

Because they are biking and walking and taking transit, Portlanders drive 7% fewer miles per capita than they did in 1993, and they use 9% less gasoline per capita. And that means fewer emissions.

The state land use policies and innovative transportation approaches, when combined with a community committed to reducing emissions, have helped create a tremendous success story in Portland.

We've also looked hard at the buildings we live in and work in, and how they use energy.

Since 1987, the City of Portland has worked with landlords and building owners to weatherize more than 44,000 apartment units. The families who live in those buildings now save $4 million each year on their utility bills.

We have also worked with developers and builders. Portland has a green building policy that says any City building has to meet LEED Gold standards, and any private sector project getting public money has to meet LEED silver standards.

I am proud of the fact that Portland has more LEED-certified buildings than any other city in North America.

That's not enough – with a million more people expected in our region in the next twenty years – we must continue our work. We've begun asking ourselves how we can make every new building exceed LEED standards. How do we ensure that new homes produce as much energy as they use? Those are the kind of bold steps we know we need to take next.

Portland residents also choose to reduce emissions at home. Household energy use has dropped 7% since 1990, and nearly 10 percent of all households are buying wind power from their utility.

The city promotes this with incentive grants for demonstration projects, and with specialists on call to answer questions about everything from insulation to roofing.

The City has been leading by example too. We save about $2.6 million a year just with energy efficiency. We've changed all of our traffic lights to LEDs. We've retimed the traffic lights to keep cars moving instead of idling. We have replaced much of our city fleet with hybrids and smart cars. And all of our diesel vehicles use at least 20% biodiesel, with many using 99% biodiesel.

Along these lines, I will mention we have been examining all of our facilities and operations for opportunities to use renewable energy. Our parking meters are solar powered. Our drinking water system includes turbines to generate power. We have used waste sewage gas to power a fuel cell. We have a wind turbine at our maintenance yard. The City of Portland has been generating or buying about 10% of our power from renewable sources. And by 2010 we will be buying 100% of our electricity from wind.

In Portland, we don't think of working on global warming as something that is going to hurt us. We know from experience that doing good by the planet does good by the economy too.

For example, with green building so well established in Portland, we now have expertise that is being shipped out all over the world. We have Portland-based developers building green buildings in Los Angeles and Denver and Baltimore. Our green building consultants cannot hire enough staff to keep up with the demand for their services.

Green building, renewable energy, and energy efficiency present major economic development opportunities. Portland is experiencing rapid growth in these industries, and we see sustainable industries as a cornerstone of Portland's economy.

And when it comes to energy, energy sources like biofuels and wind connect our city to the rural parts of the state, represented by Congressman Greg Walden, who is also on this committee. The biodiesel we use in Portland is starting to come from canola from eastern Oregon and from potato chip oil from central Oregon. The wind power comes from the windy hills above the Columbia River. Portland's global warming actions are creating jobs not just here, but in other parts of the state.

Even recycling is more than just good environmental practice, its good economic policy. We have structured our garbage rates so that people pay more when they produce more garbage, while you can recycle as much as you want for free. And the result is that Portlanders today recycle nearly two thirds of their waste.

That high recycling rate has facilitated reduced energy use and reduced methane emissions from landfills. But it also means that $80 million worth of recyclable materials are sold every year from Portland, money that would otherwise have literally gone into a landfill.

It also means more jobs, because recycling creates six times as many jobs per ton as garbage.

These are a few of many initiatives that have achieved results in Portland. We welcome other cities to take the kind of bold steps that Portland has been taking for decades. We look with great attention to the work in these cities with the desire to learn from our other municipal partners. I think our cities have begun a race to the top.

And all cities can benefit from strong federal policy. Clearly, there is an urgent need for federal action on a number of energy issues, but cities will continue to have a critical role in cutting emissions. Cities are home to the fundamental causes of emissions—people and commerce—and local policies are an essential part of the solution. It is cities that are responsible for land use, transportation systems, and building codes, just to name the most obvious.

Portland and other cities have been serving as laboratories for ways to combat global warming while strengthening their communities, and we need your support to continue and enhance these efforts and really turn the corner on energy and emissions.

One of the best ways you can work with us is by providing funding through an energy block grant program. Cities have incredible opportunities to reduce energy use and emissions, and if given funding and flexibility, we'll deliver equally incredible results. A major block grant program would provide the resources to expand and intensify our current efforts.

Similarly, I urge you to incentivize good policy through preferences in federal infrastructure funding programs. Federal policy must encourage and invest in smart growth, transportation choices, and highly efficient vehicles and buildings.

In Portland, we've seen the benefits of reducing energy use and cutting emissions, but we've only scratched the surface of what is possible. If we can harness the creativity and innovation of our cities with the sweep and force of federal funding, we can deliver results that protect the planet while strengthening our communities.

The CHAIRMAN. Thank you, Mr. Mayor, very much.

Our first witness represents a small city. Mayor Potter represents a city of about 560,000, about the size of the City of Boston, just about the identical population. And now we have the mayor of Chicago.

And I just want to say about you, Mr. Mayor, that when this Committee traveled to Berlin to meet with Chancellor Merkel three weeks ago about her initiative on climate change, meeting with Speaker Pelosi with her, it was clear that she intended on that being at the top of the agenda, Chancellor Merkel, for the summit of the G-8 next week.

I was watching NBC television Nightly News on the night that she was advancing that issue. And it was the lead story on NBC that night. Brian Williams then cut back, and he's in Chicago. And who did he interview to talk about the American perspective on climate change? It was Mayor Daley for the next three or four minutes live.

That was an indication, Mr. Mayor, of how you are viewed in our country and around the world on these issues. As a leading mayor on this issue, we welcome you and are honored to have you here today.

Mr. Daley. Thank you very much.

STATEMENT OF RICHARD DALEY

Mr. DALEY. Good afternoon, Chairman Markey and members of the Committee. I thank you for the opportunity to appear before you this afternoon. My name is Richard M. Daley. I am mayor of the City of Chicago. I am pleased that the Committee is holding this hearing to learn about the mayor's initiative to reduce global warming.

I am very proud to sit with Mayor Potter and Mayor Hanrahan, who are great mayors, in regards to the environmental movement. We are here to do our part, not just to point fingers. Mayors learn from one another. From the two mayors here, I learned quite a bit about the environmental movement.

We are really seeking the federal government to become a partner, look at creativity, look at what has really happened to decision-making in local government, how we can really improve environmental improvements to our cities, to the country, and to the world.

The City of Chicago has been a leader on environmental issues for some time. Protecting the environment is very important, also makes economic sense and improves the quality of life. Our actions are making Chicago a much more attractive place to live, new business, and it helps reduce the cost of living and operating. Chicago businesses and residents are following our lead and are eager to do more.

Our programs are achieving a range of environmental benefits, including reduction in greenhouse gas emissions, mitigation of possible future impacts of climate change.

Our municipal operations site, our environmental agenda ensures that all 40 city departments incorporate environmental initiatives in the day-to-day municipal activities.

We now have over three million square feet of green roofs, either installed or under construction, more than any other city in North America. Every public building in Chicago will now be LEED-certified by the U.S. Building Council. We have retrofitted more than 15 million square feet of city-owned office space, saving more than 4 million a year. We are buying five percent of our power from renewable sources. We are retrofitting our municipal fleet with cleaner vehicles and cleaner fuels.

We have installed a rain tunnel at McCormick Place Convention Center that will return 55 million gallons of water per year into Lake Michigan, instead of sending this water into our sewage system.

We are also actively engaging the private sector and homeowners. Our local efforts, green efforts; permits for green technology; educating developers, architects, and engineers; launching a waste to profit network, which recognized that a company's waste is another company's raw materials; developing a green business strategy to help green existing products, practices attract new green industry and technology into our city; distributing thousands of rain barrels built by an ex-offender program; forming conservation clubs in all of the Chicago public high schools to encourage young people to improve their own neighborhood environments.

Some of our work has been done in partnerships with the federal agencies and congressional support. We are very grateful for the continuing partnership and support we receive from the federal government.

We know there is much more to do, especially when we begin to understand more about climate exchange. We are developing a comprehensive climate change strategy. We want to know how climate change is expected to impact city operations and infrastructure. We want to make good decisions for Chicago's future.

So far our research predicts a hotter and dryer climate along with more storms, which may require changes in the way we currently manage all of our operations. With energy and transportation as the largest producer of greenhouse gases, new federal policies in these areas will be very, very important to urban communities.

In particular, federal efforts to accomplish the following would be beneficial: increase investments in public transportation, very simple;—nothing is more important to the environment than a vibrant public transportation system and not just in the big cities but throughout the metropolitan areas—increase fuel efficiency standards for cars and trucks; provide more federal tax incentives to encourage energy conservation, energy efficiency, and renewable energy; invest in alternative energy technologies and fuel research; build a more resilient economy, one that is better able to compete in international markets; and, of course, lead by example.

Local government also needs more federal resources so that can continue to invest in local initiatives called creativity. Many great ideas already exist, but most local governments simply lack the resource to implement them.

We strongly encourage this Committee to support the Energy and Environmental Block Grant of 2007, H.R. 2447. This act was developed by the U.S. Conference of Mayors, is modeled after the

successful Community Development Block Grant program. It would give grants to local governments to make real improvements dealing with the environment.

I encourage the Committee to evaluate how cities could be rewarded for investing local resources and projects that achieve concrete reductions in greenhouse gases.

In summary, Chicago and the other cities will continue to push forward on environmental initiatives. We have done that. Cities which are home to the vast majority of American population—and it is growing—are leading the way in addressing environmental challenges and must continue to do so on behalf of their residents.

I thank you for the opportunity for me to testify. I look forward to working with each and every one of you on behalf of the environmental movement. Thank you.

[The prepared statement of Mr. Daley follows:]

Testimony of

Richard M. Daley
Mayor
City of Chicago

Before the

U.S. House of Representatives
Select Committee on
Energy Independence and Global Warming

Green Cities:
Mayoral Initiatives to
Reduce Global Warming Pollution

June 19, 2007

Good afternoon Chairman Markey and members of the Committee. Thank you for the opportunity to appear before you today.

My name is Richard M. Daley, and I am the Mayor of Chicago. I am very pleased that the Committee is holding this hearing to learn about Mayoral initiatives to reduce global warming. Many cities in the U.S. and around the world are leading by example on environmental issues, including the issue of climate change.

It is encouraging that Congress recognizes the efforts of Mayors, and that this Committee has requested input from Mayors as it moves forward with its work. Stronger federal support for the types of innovative local initiatives that Mayors are implementing would accelerate environmental improvements and all the benefits they bring about.

The City of Chicago has been a leader on environmental issues for some time, not only because protecting the environment is so important, but also because environmental improvements make economic sense and improve quality of life in Chicago. Environmental improvements, including our actions to help address climate change, have made Chicago a more attractive place to live and do business, and have helped to reduce the cost of living and operating.

Chicago businesses and residents are following our lead and are eager to do more. Many other cities have come to Chicago to learn about our environmental initiatives so they can implement similar programs.

Our most successful environmental programs are helping to achieve a range of environmental benefits, including a reduction in greenhouse gas emissions as well as mitigation of possible future impacts of climate change. Our latest research shows increased air pollution and a decrease in water resources could be the consequences of climate change in Chicago, and our future activities will be mindful of this fact.

Greening Chicago's Municipal Operations:

On the municipal operations side, in 2005 (and again in 2006), I released an "Environmental Action Agenda" to guide the work of 40 city departments in helping to implement environmental initiatives. The Action Agenda identifies programs and activities that City departments are undertaking to make Chicago the most environmentally friendly, greenest city in the nation, and it sets goals for the future.

Some of the steps we are taking for our municipal operations include the following:

- **Using green roofs to cool our buildings.** Following the installation of our first green roof, which was a 20,000 square foot garden on the roof of City Hall, Chicago now has more than 3 million square feet of green roofs either installed or under construction – more than any city in North America.

- **Building green buildings.** Chicago was home to the first municipally-owned platinum-certified green building, the Chicago Center for Green Technology. Since then, we made a commitment to ensure that every public building built in Chicago will be LEED-certified by the U.S. Building Council, including our libraries, police stations, fire stations, etc. So far, we have achieved LEED for six City facilities, and we are awaiting LEED approval for a dozen more City buildings.

- **Improving energy efficiency.** We have retrofitted more than 15 million square feet of City-owned office space, saving more than $4 million per year.

- **Purchasing renewable energy.** We are buying 5% of our power from renewable sources.

- **Retrofitting our municipal fleet**. Chicago has the largest municipal fleet of any city in the country, more than 11,000 vehicles. We have introduced hybrids and car-sharing, retrofitted diesel-powered refuse trucks with catalytic converters, installed alternative fueling technology and encouraged more use of bicycles by city employees doing city business. Although not part of the City's fleet, we have also retrofitted more than 600 public school buses.

- **Installing solar thermal panels to heat our water and reduce the need for electricity.** We are using solar thermal plans to heating our municipal swimming pools and warm some of our public buildings.

- **Trading greenhouse gases.** We were a founding member and the first municipality to join the Chicago Climate Exchange (CCX), the Nation's first and only greenhouse gas reduction, trading and registry system.

- **Investing in green infrastructure**. We continue to explore the use of "green" infrastructure, such as green alleys, to mitigate the need for traditional water and sewer infrastructure.

- **Installing rain tunnels**. We recently installed a rain tunnel at McCormick Place Convention Center that will return 55 million gallons of water per year into Lake Michigan instead of sending all of this water into our sewer system.

Greening Chicago's Business and Residential Sectors:

We are also actively engaging the private sector and homeowners in our local greening efforts. Some of our programs that involve businesses and residents are as follows:

- **Expediting Permits for Green Building.** We have adopted a new building permit process for "green" buildings, whereby the private sector can get a municipal building permit in approximately 30 days (instead of four months) if they build a green building.

- **Encouraging energy efficiency for businesses.** We are working with mid-sized manufacturers to help them reduce their energy needs, as well as waste and water, through the Industrial Rebuild Program. Since the program's inception in 2001, more than 8,213 tons of greenhouse gas emissions have been reduced.

- **Launching a Waste-to-Profit Network.** We have started a Waste-to-Profit Network, based on the idea that one company's waste is another company's raw materials. A total of 45 industries have signed up so far, recognizing that reducing the cost of raw materials or the cost of landfilling contributes to an improved bottom line and improved productivity.

- **Encouraging green businesses.** We have developed a Green Business Strategy to help green existing products and practices, and attract new green industry and technology to the City.

- **Distributing rain barrels to residents**. We are distributing thousands of rain barrels to citizens and educating them on the value of capturing their rainwater for reuse.

- **Helping residents reduce energy consumption.** We have undertaken a range of programs – from distributing more than 500,000 compact fluorescent lightbulbs to installing new windows in the homes of our elderly and low-income residents – to help residents increase their energy efficiency.

- **Building bicycle infrastructure**. Chicago has more bike racks than any city in the country and we add miles of bikeways every year. In 2007 alone, we plan to install more than 12 miles of on-street bikeways and 60 miles of bike routes.

- **Offering green and reflective roof grants to residents and small businesses.** These grants help reduce energy demand and lower energy bills.

- **Forming conservation clubs.** We have formed 22 Conservation Clubs in Chicago Public Schools to encourage young people to improve their neighborhood environments. We hope to have 50 clubs within a year.

- **Using public art to raise awareness about global warming.** This summer, we are partnering with a nonprofit organization, Cool Globes, to display public art to call attention to global warming and what every person can do to address it, in the form of more than 100 globes on Chicago's lakefront.

Some of our work has been done in partnership with federal agencies, especially the Environmental Protection Agency and the Departments of Energy, Agriculture and Interior, or with support from Congress. We are grateful for these continued partnerships and support.

But we have done much of it because it is the right thing to do – right for the environment and right for the economy.

Looking to the Future:
We have accomplished a great deal in Chicago, but there is much more to do, especially as we begin to understand more about climate change. We are continuing to research innovative technologies and launch more initiatives.

For instance, later this year, we plan to begin installing a global building monitoring system that will enable us to control the temperature at 500 city-owned facilities, reducing energy costs by 30-40 percent.. We are working on a project to build the nation's first ethanol-to-hydrogen fueling station and exploring the use of other types of alternative fuels. We are also looking at how we can use the miles of tunnels underneath the city – tunnels with a limitless supply of cool air – to cool our buildings.

Specifically with regard to climate change, the City of Chicago is currently developing a comprehensive climate change strategy because we recognize that changes are coming to our climate. We want to be prepared for that. We want to know climate change is expected to impact City operations, infrastructure, landscape, water and food supply, and emergency management, among other things. We also want to be prepared so that we can continue to make good decisions for the future of Chicago residents and businesses.

So far, our research shows a hotter and drier climate, along with more intense storms, which may necessitate some significant changes in the way we currently manage our operations.

Increased federal support in key areas, and increased federal support for cities in particular, would go a long way towards accelerating environmental improvements, including reductions in greenhouse gases.

It will come as no surprise to the Committee that, so far, our research has shown that the energy and transportation sectors, are the largest producers of greenhouse gases. New federal policies that address these sectors on a national scale, without unduly burdening them, will be very important.

In particular, federal efforts to accomplish the following would be beneficial:

- Increased investment in public transportation. Nothing is more important to the environment than a vibrant public transportation system, especially because motor vehicles account for the majority of air pollution and 1/3 of greenhouse gas emissions. New federal policies to increase transit funding, while actively encouraging and supporting cleaner transit technologies, would help improve the environment and reduce greenhouse gases.

- Increase in the fuel efficiency standards for cars and trucks. Again, since vehicles are among the largest sources of greenhouse gas emissions, an increase

in the fuel efficiency standards should help our efforts toward reducing global warming.

- More federal tax incentives to encourage energy conservation, energy efficiency and renewable energy. Some of the energy tax breaks included in the 2005 Energy Bill were extremely popular. These incentives should be extended and expanded.

- Align transportation and land use policies to help cities reduce air pollution, address health issues, increase mobility and better support public transportation.

- Invest in alternative energy technologies and fuels research and creation that will not only build a more resilient economy, but one that's better able to compete in international markets.

- Lead by example by addressing environmental and climate change related issues in the way federal facilities are sited, built and operated and how goods are purchased.

Directing more resources to local governments so that cities can continue to invest in local initiatives is also critical. Many great ideas already exist, but most local governments simply lack the resources to implement them, or lack the resources to implement them at a scale where real improvements can be achieved.

To this end, I strongly encourage this Committee to support the "Energy and Environment Block Grant (EEBG) Act of 2007" (HR 2447). The EEBG Act, which was developed by the U.S. Conference of Mayors, is modeled after the successful Community Development Block Grant program. It provides for a partnership between the federal government and local governments, whereby local governments could access funding grants to reduce carbon emissions and improve energy efficiency and conservation at the local level. The EEBG would provide funds for *real improvements*.

In addition to supporting the Energy and Environmental Block Grant proposal, I also encourage the Committee to evaluate how cities could be rewarded for investing local resources in projects that achieve concrete reductions in greenhouse gases.

In summary, Chicago and other cities will continue to push forward on environmental initiatives. Cities, which are home to the vast majority of America's population, are leading the way in addressing environmental challenges and must continue to do so. Cities will also need to be most prepared to adapt to the changes that are coming as a result of climate change and to mitigate the impacts. Increased federal support for our efforts is an essential component of real success.

In closing, I would like to again thank Chairman Markey and the members of the Committee for holding today's hearing and seeking input from Mayors. I look forward to continuing to work with you.

The CHAIRMAN. Thank you, Mr. Mayor, very much.

We will now turn to questions from the Select Committee members. We will first recognize the gentleman from Oregon, Mr. Blumenauer.

Mr. BLUMENAUER. Thank you. Thank you, Mr. Chairman. I appreciate your courtesy.

I was struck, Mayor Daley, with your phrase a moment ago about "lead by example." Clearly we have three very specific examples from cities that are leading by example. And I wonder if you have some thoughts or observations about how the federal government aside from being there with resources, transit, and so forth—are there other areas that occur to you that the federal government could lead by example in your communities in terms of our stewardship?

Mr. DALEY. Well, construction of every federal building, every post office, every federal building in America if they are led by example in regards to energy, in regards to the type of material they are building, the cost of energy inside, water retention. They are exempted from all local laws. So we can do everything we want. But that one building doesn't even follow many times the local codes in regards to building codes or environmental movement.

And so I think the mayors here, we lead by example. We did this before the word "global warming" was on everyone's docket. Most of these cities have been doing it for many, many years, as Mayor Potter pointed out in regards to his city.

Mr. BLUMENAUER. Either of you have other thoughts about what we should be doing?

I will say, Mayor Daley, I did introduce legislation to require the post office to obey local land use laws, zoning codes, and building requirements.

Mr. DALEY. Are they?

Mr. BLUMENAUER. And that actually almost made it into the postal reform. But I couldn't agree with you more.

Other examples that——

Ms. HANRAHAN. I will just echo Mayor Daley's comments that certainly when a federal facility is built in your community, you would like to see that facility really be a shining example.

And, for some reason, post offices do sort of hit mayors. We have a beautiful downtown post office that was, of course, abandoned. And we have a '70s era post office. And now it is sort of out by the interstate.

I just came from a meeting with my own congresswoman, Corrine Brown. And she is working on an expansion to our VA hospital. Right next door to our VA hospital is an expansion of our Shands Cancer Hospital, which we are doing a joint project with them on combined heat and power. And that will dramatically reduce the impacts of their energy use. Hospitals, of course, have very high energy reliability standards and so on. It is also a LEED-certified building, so excellent example.

Mr. BLUMENAUER. Mayor Potter?

Mr. POTTER. When I think about the difference between cities and the federal government, obviously you folks have a very different role from the cities, but your role can be very helpful to the cities in how you formulate your policies, how you encourage local

communities to begin to develop technologies that will make them more sustainable.

For me, the biggest role that the federal government could possibly have beyond the money is that by establishing those standards, by creating in the marketplace a demand for change I think can be of the most value to communities across our country.

Mr. BLUMENAUER. I really appreciate that. And I hope, Mr. Chairman, this is something we can consider for the federal government to set a standard for the vehicles that it purchases, for the building codes that we are going to honor, and hopefully at least meet what you have, if not do them in a higher standard.

Mayor Potter, one of the things we are working on in the Ways and Means Committee now and bringing forward is energy tax legislation to promote use of energy efficiency and renewable energy. It is very likely, taking a page from the mayors, that the bill will include some green tax credit bonds or some funding mechanism for community programs and initiatives as well as for loans and grants to consumers who want to make energy efficiency improvements to their homes or install new generating capacity.

Is this something that the cities are poised to move on, that you have the infrastructure that you could take advantage of that quickly if it were to be enacted?

Mr. POTTER. Yes. You know, currently the City of Portland does provide tax benefits to companies who do green building, but we could do it on a much larger scale. We could be more innovative in the types of green building that is going on in our country. And there is a huge range of activity going on. I think that through these green tax credit bonds, that we could really begin to help not just shape public policy but public thinking about what is the best use for money when money is lean or when we have extra.

How do we begin to shape public thinking in a way that begins to result in better policies?

Mr. BLUMENAUER. Mr. Chairman, I see my time has expired. May I make just one request of the witnesses because embedded in their testimony was the economic impact? My sense is that in each of them, their experiences, this has had a positive economic impact. And I just wondered if they might be able to supply the Committee——

The CHAIRMAN. Sure.

Mr. BLUMENAUER [continuing]. With information about the economic impact of their energy-efficient initiatives. Thank you, sir.

The CHAIRMAN. And we will include your answers in the record, but you might get a chance with some of the other members to put it in your verbal testimony.

The gentleman's time has expired. The Chair recognizes the gentleman from Wisconsin, Mr. Sensenbrenner.

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

I, too, believe in leading by example. And I noticed in yesterday's Chicago Tribune the lead story says, "Daley City Not So Green." And in reading the story and looking at the sidebar, I noticed that the carbon emissions in the City of Chicago between 2003 and 2004 were reduced by 65,000 tons. Between '04 and '05, there was an increase of 234,000 tons and from '05 to '06 a further increase of 8,000 tons.

Mayor Daley, can you explain why there was this big increase in emissions between 2004 and 2005?

Mr. DALEY. Well, I can't get into the particulars, but one thing, we are sitting down with the Tribune, trying to find out where they got these figures from because we have been a member of the Chicago climate exchange since it was formed. It is a voluntary, legally binding greenhouse gas emission reduction platform.

The city has met its reduction goals every year since becoming a member of that exchange within the rules and regulations established by the climate exchange. The city is committed to purchase 20 percent of our electricity from renewable energy sources by 2010. We purchased renewable energy credits equivalent to five percent of the city's electricity in 2006. The required 60,000 credits for renewable energy were obtained through the purchase of landfill gases. So we are doing everything possible.

I think there are some discrepancies in there. I mean, that is why we are sitting down with the person who did the study.

Mr. SENSENBRENNER. Well, I know my eyes are getting a little weak, but underneath the sidebar that contains the figures that I quoted to you, it says the source is the City of Chicago.

And apparently the city officials would only discuss their participation in the exchange by e-mail. Don't you allow your city officials to verbally answer questions? That might be part of the source of the problem.

Mr. DALEY. I don't know. I will find out for you.

Mr. SENSENBRENNER. Okay.

Mr. DALEY. But this has nothing to do with what we are here for. It deals with the whole environmental movement. It is not just global warming.

Mr. SENSENBRENNER. Well, we know, reclaiming my time, I guess I would beg to differ with you because I think that the Chairman selected each of the three of you to talk about how your cities have been reducing greenhouse gas emissions.

And what appeared in the front page of the major newspaper in your city, Mayor Daley, indicates that there has been a ten percent increase in emissions over a period of time when you had promised there would be a four percent reduction. And I think this shows how difficult it is to meet these kinds of targets.

Mr. DALEY. It is difficult. It is challenging. But, remember, you can't believe everything that you read in the newspaper about any public official.

[Laughter.]

Mr. SENSENBRENNER. Well, you know, we run that risk as well, but, you know, as you know, disputing a newspaper is sometimes like getting in an argument with a drunk. And I kind of would like to know whether the smell that is emanating from the Chicago Tribune is based on fact or based on pique. And I would like to get an answer particularly on why there has been this big increase in emissions between 2004 and 2005.

The other question that I would like to ask you before my time runs out is the Tribune article says that in a June 1 response to questions about Chicago's participation in the exchange, an Environment Department spokesman wrote that the city had just purchased credits worth 60,000 megawatt hours of wind power, which

is enough to meet half of your renewable energy pledge. Six days later the department official said that the deal had fallen through over a price dispute.

Now, one of the things we are looking at is cap and trade. And this is kind of a cap and trade on the municipal level. Can you give me some details about the price dispute that caused this deal to fall through?

Mr. DALEY. Well, appropriately in regards to the price, we thought it was a little too high for us. And we decided to renegotiate it, like anything else. You just don't make a decision that would not benefit the citizens or the environment, especially the cost factor.

So, like anything else, we are still in negotiations.

Mr. SENSENBRENNER. But aren't these credits supposed to be based on market forces, meaning if there is more supply than demand, the price goes down and if there is more demand than supply, the price goes up?

And I would kind of like to know why you thought they were charging the city too much and why you felt that way.

Mr. DALEY. Well, we just felt in regards to our negotiations—this took place over a number of months and years, too. This did not come up in the last week or two weeks.

So, appropriately, in negotiations, you are going to differ on different items. And you are not going to sign an agreement. So then, in turn, you go back to negotiations, which we have had with the supplier.

Mr. SENSENBRENNER. Thank you very much. My time is up.

The CHAIRMAN. The gentleman's time has expired. And I am sure that the mayors who are here would say that dealing with global warming is a long-term commitment and any one year is just obviously part of a long-term commitment to reducing those greenhouse gases and the policies put in place aimed at that goal.

Let me turn and recognize the gentle lady from California, Ms. Solis.

Ms. SOLIS. Thank you.

Well, I want to thank you for coming, the mayors. You have some very good information that I want to take back to my city, Los Angeles.

Some of the challenges that we face, particularly for a place like Los Angeles, is how do you include those under-served communities, the communities of color? And I would like each of you, if you can, to just touch on that, what you are doing and what we as a federal government can do to help with that.

One notion that is very important also is our youth. How do we get them involved in this new technology? If you have any ideas, please share them.

Ms. HANRAHAN. I will be happy to start because this is a particular focus in Gainesville. Gainesville, as I mentioned, is a university community, but we also have a pretty substantial poverty-stricken population. And there is a real disconnect.

A lot of the payback in the capital investment goes to the person paying the utilities, but the person making the investment is oftentimes not that individual, especially for lower-income people.

So we are trying to break through that by working, for example, with our lending institutions so that we can guarantee loans so that the person who is paying the utilities can perhaps upgrade their equipment.

I mentioned the low-income children going door to door replacing light bulbs. That has been a really fun project and having some substantial results.

And then we have a whole house program where we go in and actually replace equipment on an experimental basis to see how much we can do. We also have our churches very much involved. Our African American leadership is very excited.

I just want to close by saying we aren't doing this—I mean, this is one of those things that isn't easy, but it is important. If it were easy, we would have done it by now. It is very similar to the '60s, when we had the goal to reach the moon. It's the same kind of a challenge.

Ms. SOLIS. Specifically you mentioned you have a 50,000-student population. And my question is, is there any thought given to training from the university for these communities in these types of jobs perhaps?

Ms. HANRAHAN. We do have some student groups that are, for example, changing out all of the lighting in the off-campus student housing. And they are able to do a very detailed study on the basis of that.

We haven't connected the university students with the lower income population yet, but that is an excellent idea.

Mr. POTTER. One of the programs in Portland that we have, we work with Portland State University, which is the largest university system in the State of Oregon. And they have a program called Capstone. Before any young person graduates from PSU, they have to perform community service. And so we have them working, for instance, as interns in the mayor's office but also working with the Office of Sustainable Development and assisting them in developing and being some of the foot power in that system.

Last year we created a Children and Youth Bill of Rights that guarantees young people certain things, to include a roof over their heads, full good meals and caring adults in their lives. The city council is using that document as one of our policy documents when we make decisions on how to allocate funds.

We also have done a visioning project last year going out and asking the community how they view Portland. And we specifically went to the under-represented communities. We have a large immigrant population in Portland. And the percentage that we have of the under-represented is higher in proportion to the other parts of the population, which didn't make necessarily the other parts of the population very happy. But the fact is that we heard things that we had not heard before.

So we are working to do things such as reduce home ownership gap. For instance, African Americans in Portland have a 39 percent home ownership while whites have 61 percent.

Those are the kinds of things that you can hear when you go out and listen to the community.

Mr. DALEY. In Chicago, we are establishing a better science program in elementary schools, which is very deficient if you look at

public schools in America, at the same time bring ownership into the school system with conservation clauses, both in elementary and high school. You have to get the young people thinking about their own school, about their own home, about their own block in regards to the environment. And so that is one major initiative we are doing.

And also an example is just hiring ex-offenders dealing with our rebuilding rain barrels for many of our bungalows and tube flats all over the city in the conservation of water to be used for purposes for lawns and other things. That is an example of getting the community involved. But with the younger people, you need good programs.

Ms. SOLIS. Thank you. I raised this issue because we are contemplating introducing legislation that can possibly help provide a career path, streams to vocational education, community colleges, and the private sector, and to figure out how we get that youth population plus retaining because we are going to keep jobs here. That is the other exciting thing, that we don't have to outsource these jobs. They can stay here in our cities and in our communities. So I would at one point like to hear feedback on that.

The CHAIRMAN. The gentle lady's time has expired. The Chair recognizes the gentle lady from Michigan, Ms. Miller.

Ms. MILLER. Thank you, Mr. Chairman.

I again want to thank the witnesses for all coming. I was very interested to hear all of your various comments. I actually started my political career not as a mayor but as a township supervisor of a town of about 30,000. So I have a little bit of understanding and sensitivity to the job that you have at the local level. And you really are very much on the leading edge of things.

But I can't miss this opportunity to ask a question of the mayor of Chicago because he and I had the honor of being the keynoters last year at the Great Lakes Day here on the Hill. And I applaud his work on the Great Lakes.

Let me ask you, Mr. Mayor, if I could. As you are very familiar, the Great Lakes are fully one-fifth of the freshwater supply of the entire planet. All of us in the Great Lakes Basin are very, very concerned about diversion of the Great Lakes to the very hot, dry, thirsty Southwest, our other areas of the nation. And we certainly don't want that to happen.

You know, we are struggling about this whole issue of climate change, how much of it is manmade, if it is manmade how much of it is just cyclical weather patterns, what have you. And, in particular, I guess my question goes to the lake levels in the Great Lakes.

For instance, I am aware of the Chicago Diversionary Canal. You know these numbers better than I do. I have heard there are about 300,000 gallons per minute when they open that canal up to flush down in the Mississippi River.

And as we look at the lake levels in both Huron and Michigan, the experts are telling us that those lake levels are lower than the other lake levels for a number of reasons. They do cite that. Of course, they say less precipitation and the snow melt, et cetera, but they are also citing—actually, a foremost coastal engineering firm is now theorizing that because of a very extensive dredging that

happened in the St. Claire River as it meets the bottom of Lake Huron, in subsequent dredging and erosion, that is like a bathtub effect has happened there and that we are diverting I don't know how many millions and billions of gallons of water just over the Niagara because of that.

My point is here do you have any comment on some of the various things that are happening that really are manmade as well——

Mr. DALEY. Right.

Ms. MILLER [continuing]. That are impacting our ability to ship freight and all of these kinds of things on the lakes?

Mr. DALEY. One of the issues had been a deep tunnel, which they have built a number of deep tunnels, in regards to stormwater. And one of the things, they are very seldom now open, the locks are open very seldom, even in difficult storms. One thing we are doing is water conservation.

You have to have the green roofs. You have to have new technology in regards to retrofitting older buildings, what type of alleys you are building dealing with rainwater, basically not allowing the rainwater to get into the sewer system.

That is one thing we have found out dealing with parks, open space, mandating stormwater to developments in the city, in the metropolitan area as well because the metropolitan area grows. They seek more and more water in regards to their usage.

And, like anything else, the St. Lawrence Seaway and the Great Lakes, Canadian-U.S. mayors had a new conference put together. And we are doing best practices.

An example, we had asked the federal government, which is very challenging, to tell us how much money they are spending on what projects, the entire federal government, in the Great Lakes. And, truthfully, we are still waiting. It is very, very challenging for them to figure this out.

And because if they are doing something up in Ontario or Lake Superior or Lake Michigan, that is going to have an effect on all of the Great Lakes and all the tributaries. And that is one thing the mayors from Canada and the United States want to know, both from the Canadian government, U.S. government, what money they are spending, where they are spending it, for what purpose, and what long-term effect we have on the Great Lakes.

All the tributaries are very, very important in regards to the Great Lakes Basin, United States. And many times we are putting those cities involved in the Great Lakes initiative.

So even a city down in Kentucky or southern Illinois, along the Mississippi, we bring them in to the Great Lakes initiative in regards to, most important, conservation.

Ms. MILLER. I appreciate that. I would like to ask a question of the other three of you because I think all of you had mentioned about various things you were doing in regard to your municipal fleets and what you are doing with your vehicles there about higher fuel efficiency.

As you might imagine, coming from Michigan, I am very interested in the domestic auto industry, who is being asked to compete on the global marketplace. Now the federal government is going to be looking at higher CAFE standards, et cetera.

Yet, at the same time, you have a government like Japan that is heavily invested in lithium ion batteries, not only for their vehicles but for all the electronics that they make. And, yet, we are being asked to compete, although our federal government does not pay for that kind of R&D, and other kinds of things that happen with the domestic auto industry as well. I mean, the Japanese government is paying for their health care. Yet, GM, Ford, and Chrysler are all paying for our health care.

So I am just wondering. Do you have any comment on whether or not the federal government should be investing more to assist the domestic auto industry that may assist all of you in upgrading your municipal vehicle fleets?

Ms. HANRAHAN. Well, I will just quickly respond that we were very excited when Ford came out with the Escape Hybrid because we have historically had a policy of purchasing American cars, which was in conflict with the fact that the hybrids were predominantly coming from the Japanese market. So as we see Ford and others leading now that Saturn has a hybrid as well, that opens a lot of opportunities for those parts of our municipal government that do require heavier service vehicles. I mean, not everything can be done from a Prius, nor should it be.

We have also looked at biodiesel. Our county converted their fleet to biodiesel. And, actually—and I am not familiar with the details of it, but the fleet manager actually found that there were some other benefits associated with the temperature of the diesel or something along those lines.

And then certainly the flex fuel vehicles, which, again, many American cars are flex fuel vehicles and that provides at least an alternative.

Mr. POTTER. Being a former police chief, I can tell you that the power is important for police cars. And I think that we could use some assistance in how to take some of the biofuels and increase the ability to be able to fuel the American police cars so that they can keep up with the person they are chasing.

But also we use in Portland the hybrid and the biodiesel cars as staff cars because most police cars aren't really patrol cars. They are really staff and support cars.

Mr. DALEY. And in Chicago, we have one of the oldest Ford plants, which they retrofitted a number of years ago. They recently built a Ford supplier plant that hires a couple of thousand people. They built an environmental park. We are very conscious of how important the industry is to my city or to the Midwest is extremely important.

At the same time, they have been working very closely with us on fuel efficiency and the purchase of cars and all of that. So that we are cognizant. At the same time, I believe the federal government should assist the U.S. automobile industry in regards to new technology and assist them as quickly as possible.

Ms. MILLER. Thank you, Mr. Chairman.

The CHAIRMAN. The gentlelady's time has expired. The Chair recognizes the gentleman from Kansas City, Mr. Cleaver.

Mr. CLEAVER. Thank you, Mr. Chairman.

My city is a city of 322 square miles, which is huge. You can put St. Louis inside our city limits three times, to give you an example

of how large it is. We have one service station that provides E85. And the only reason we have that is because during my time as mayor, President Bill Clinton ordered the GSA to convert its fleet to flex fuel vehicles.

We have now in 2007 11 million flex fuel vehicles in the United States. We have 170,000 service stations in the United States, but only 1,200 of them provide E85 or flex fuel. And so that is a discouraging factor, I think, in people getting the flex fuel vehicles.

Is there something that we can do to assist you, the cities in getting more flex fuel service stations in order to, of course, increase the number of automobiles with alternative fuels that are riding up and down your streets?

Mr. POTTER. Well, if I could address that? I think this whole issue about how we begin to increase more sustainable practices requires us to consider that we are in a capitalist society that creates supply and demand. And our job, I believe, in government is to create the demand.

In September in Portland, it will go into effect that all gas stations in the City of Portland will have to carry biofuels in addition to petroleum-based fuels. So that is our effort to try to create that.

What is equally as important is that we are using the farmers in eastern Oregon to help grow the grains that will eventually become the biofuel. So we keep our money in Oregon, instead of sending it off to the OPEC nations.

Ms. HANRAHAN. And I will just follow up on that because I was about to say exactly the same thing. One of our U.S. senators, Senator Martinez, who is, of course, also a former mayor, held a summit in Gainesville about the whole issue of biomass and how we can do farm-to-fuel types of projects.

And when I walk into a room and I see the agricultural industry and the environmental communities and even oil companies all sort of singing off the same song sheet, I say, "Wow. Here is an opportunity."

As I mentioned, Florida is a huge agricultural state. Our own area is a huge forestry area. I don't know the specific answer to your question, but I think it clearly represents an incredible technological opportunity for this nation and for those states particularly that do have strong farm interests.

Mr. DALEY. Of course, Illinois is an agricultural state, very important. Like anything else, you are sitting with the agonists here in the business community, with government in the purchase power example of suburban and larger cities or State of Illinois in the purchase of vehicles, which are better fuel management or greener fuel. And that is what we are really looking for. And everybody is striving for that.

It is amazing across the partisan lines. It is both suburban areas and the cities and the state working together in regards to their fleets.

Mr. CLEAVER. This won't surprise either of you. I have been in contact over the last couple of months with Tom Cochran with regard to issues surrounding cities. We have a situation where every six years we have this transportation bill. And the dollars continue to pile higher with regards to transportation. But we are looking at the same time at a reduction of the dollars that are pumped into

UMTA, the Urban Mass Transit Administration, which at one point, in fact, when Portland got its system off the ground, St. Louis, Dallas, Atlanta, there were large grants from UMTA.

I support—it is going to be a surprise to you—a block grant, but I am wondering whether or not you think that now is the time for some kind of transition from the Herculean amount of dollars we are pumping into the Department of Transportation to maybe put more money into UMTA or create some kind of a block grant program through transportation dollars to help the cities, particularly in light of the fact that the federal government is still denying the science, you know, that global warming is not real.

So in lieu of the federal government, what area do you believe that a block grant would be most productive, coming out of transportation, maybe UMTA, or maybe even, you know, another kind of block grant through HUD?

Mr. POTTER. I think the most effective use is to—if we are going to get rid of the greenhouse gases, we are going to have to go to one of the major contributors' vehicles. I think if we can begin to change from petroleum-based to biofuels, that will be a huge step, not only in terms of beginning to clean up the atmosphere but creating an entirely different economy based here in the United States, rather than overseas.

Mr. DALEY. One thing I found out, it seemed like businesses need better public transportation, whether in the city or suburban collar counties. And one thing we are listening, business support in regards to a system that needs funding from the federal government, that can be clean, safe, on time, and friendly. And that is an alternative. Really, it is an environmental movement.

It has never been looked at that way. It has always been "Okay. We have the highway system. There are lobbyists" versus public transportation, usually mayors or in some way in regards to needed public transportation.

But I think it is getting bigger than that. It is necessary for businesses to exist in many communities if they don't have public transportation.

And that is where I think the debate will be in the future, especially in the collar counties and the growing areas, the metropolitan areas. They can't move on weekends and at night and during the day. It is overcrowded with cars. So there is where the debate has to come, and I think it is slowly moving in that direction.

Mr. CLEAVER. Thank you.

Ms. HANRAHAN. And just a very brief comment. We very much admire the light rail systems we see in cities like Portland and Salt Lake. Most of America's cities are small cities. And light rail is probably not an appropriate solution.

But certainly we have benefitted by the support for our transit system, which, as I said, has increased from a million and a half passengers a year in '96 to over 9 million today. And we have done that through partnerships, particularly with our largest employers and the University of Florida, that they provide fare-free passes. And that has really dramatically changed the way that those riders use the system.

The CHAIRMAN. The gentleman's time has expired. The Chair recognizes the gentlelady from South Dakota, Ms. Herseth Sandlin.

Ms. HERSETH SANDLIN. Thank you, Mr. Chairman. And building on the questions of Mrs. Miller and Mr. Cleaver, of course, it is music to my ears representing South Dakota and where we are trying to get our biofuels. Of course, we would really like to get our wind generating electricity to get to Chicago, Mayor Daley. So perhaps we can visit more about that.

Going to the municipal fleet again and the number of E85 pumps that are available across the country in different regions and different cities, could you talk perhaps—I think, Mayor Potter, did you say that there is a requirement that just passed in Portland that every service station within the city limits has to carry a biofuel? And is that biodiesel? Is that E85? What blend are we talking about there?

Mr. POTTER. Yes. In September, it will be a requirement that they carry biofuels. And it will be probably the B85 or the B15. We are very interested in increasing the percentage of biofuels mixed in diesel. And, of course, that is a technology issue.

And that is one of the things that I think that there, again, the federal government can help with, is how do we provide the kind of technology that can use this because, as you know, in the wintertime, biofuels tend to thicken. And so they use the diesel to thin it with.

And so by using the technology—and I have seen some of the technology in terms of having the biofuel container heated so that you always keep the fluid warm and, thus, not as viscose as would be otherwise.

Ms. HERSETH SANDLIN. So the requirement in September is for diesel, a blend of diesel. It is not necessarily for an ethanol blend of 85 percent. That is one of the areas that we have focused on here in Washington, this whole chicken and the egg issue.

And I think that Detroit has actually made a significant commitment in ramping up its manufacture of flex fuel vehicles. The problem is as that demand increases, we still have service stations that are talking about how cost-prohibitive it can be, especially in urban areas, because you do need another tank.

And so when they have got a demand of premium, regular unleaded, I am just wondering if any of you have pursued or talked with your convenience store owners about what they would like to see either at the municipal level, any incentives you have discussed as Washington undertakes a discussion about incentives that we can offer to service station owners in addition to perhaps requirements at some point, especially for those that are licensed by or, I should say, have leases with some of the larger oil companies.

Mr. DALEY. State law regularly requires them to use ethanol as a mix, ten percent mix, in the wintertime. So there are certain months that it is required to be in all gases in Oregon. So we do use ethanol. It's the other biofuels that we have not really capitalized on.

The State of Illinois is working—of course, ethanol is really important for us as well in Illinois. Presently the state has not mandated. They are presently working with operators, whether in the city or throughout the state, in regards to sitting down with them and saying, "What is cost-effective?"; how they can put it in, especially if they are independent operators. And more so in the city

they are not. They are owned by major companies. But in the suburbs and down state, they are mostly independent operators.

And that is one issue that they had come up with, the cost factor of the alternative energies in these gas stations.

Ms. HANRAHAN. I was just going to say the best luck we have had is when we see a rebuild, a complete rebuild of a station. And then they are more able to be flexible in that.

But one other just interesting note is that—and this may be just the sort of thing you see in college towns, but there is actually a biodiesel co-op that has come up. And people are bringing it in. And you see vehicles that have a sticker on them that says, "This vehicle run by biodiesel."

I think this is one of the areas that the people are actually ahead of the government.

Ms. HERSETH SANDLIN. Thank you. One last question. Your public transportation vehicles, I think, Mayor Daley, in Chicago, you have got hydrogen-fueled buses. Is that the same in terms of either diesel or, again, an ethanol blend? Is that state law that even the public transportation vehicles then would—well, I guess you would have to fill up with an E10 blend if that is required during the colder months. But can you talk about your public transportation systems and the use of any renewable energy sources?

Mr. POTTER. Well, the public transportation in Portland, TriMet, also uses hybrid buses. And so there is a percentage of buses, and I don't know what percentage. But there is a significant percentage of buses that are actually hybrid.

Mr. DALEY. In the Chicago Transit Authority, that is what they are looking for in regards to getting off the diesel, in regards to hybrid buses.

Ms. HANRAHAN. And I will just share we actually purchased one of the Ballard buses. And, unfortunately,—this sort of speaks to some of the challenges that we are facing—it didn't work well. And then the company had problems and so on.

I will say that one of the challenges that we have with our transit system is, of course, the federal support is primarily for the rolling stock, for the capital. And so we end up, we are running it on a shoestring, to be honest, relative to the size of the passenger ship.

So we haven't done as much as we would like to do in that area, I think primarily on a cost basis. So if we could look at more funding for operating versus just capital, I think that would be an incentive.

Mr. DALEY. I think you have to be careful what plan you decide to do because you get a company and they start building them and, all of a sudden, in three years they are not there, they are not in existence. So I think many cities are following by example what other cities are doing, not only the United States but throughout the world, especially in Europe.

Ms. HERSETH SANDLIN. Thank you. Thank you, Mr. Chairman. I yield back.

The CHAIRMAN. The gentlelady's time has expired. The Chair recognizes the gentleman from Washington State, Mr. Inslee.

Mr. INSLEE. Thank you. Thank you. Thank you. Thank you. This is a real delight for me.

Mayor Potter, Mayor Daley, you will be pleased to know there is a book coming out this fall about clean energy. It is called "Apollo's Fire." And your two cities are prominently featured in it because of your great leadership. And I didn't know about the great work of Mayor Hanrahan. I will tell everybody about it. We appreciate it, appreciate you coming here.

Mayor Potter, I remember—I was writing this book—talking to a fellow who was working in a computer company in Portland. He was a young entrepreneur. He had looked at various cities, where to go to start his company. And he focused on Portland.

I asked him why. He said, "Because they get it when it comes to the environment, having a great business environment with good public transportation, great amenities" because he said it became a focus of his ability to draw talent, intellectual talent, into his company. And he looked at your environmental policy as actually a tremendous economic driver.

And I just wonder if you want to comment. Is that a common experience or just the dreams of one software fellow?

Mr. POTTER. I hope that guy was with a company called Free Geek that takes old computers and reconditions them and gives them to low-income families and schools. Maybe that is his program. I am not sure.

Mr. INSLEE. I think it was a different one. You have got at least two good companies there.

[Laughter.]

Mr. POTTER. The fact is that Portland is really fortunate. We are one of several cities in the United States where that 18- to 35-year-old demographic is actually growing. Nationally that age grouping is dropping.

So there are more young people coming to Portland. Part of it is because of those very kind of innovative low-threshold kinds of opportunities. That is, you know, you can come and try things out that people in other cities may not give you that opportunity. So we are really proud of that.

The other one is our tolerance, which I think also fits into that, that we accept people and we accept their ideas. We understand that with diversity brings new ideas and new ways of thinking.

Mr. INSLEE. I appreciate that. I want to ask you about building efficiency. When we look at this, I think a good way to think of efficiency and conservation is the first fuel. And it is usually the cheapest way to get inexpensive energy is not to waste it.

I want to ask you about building codes. The American Society of Architects believes that we can have essentially the building residential building and commercial that is 60 percent less energy-intensive than the buildings we are building today by the year 2010 and 80 percent less energy-intensive by 2020.

Now, those are really ambitious numbers. They kind of are stunning to me. But these are, you know, the architects telling us we can do this.

One of the things we are thinking about is a way to work with the cities on building codes, both incentives and perhaps some mandates to move forward on building code requirements on energy intensity. And I just wonder if you can tell us about what your

experience has been. Is that something we should think about? If so, how?

Mr. DALEY. Well, as a mayor, one thing I think all mayors are always against is mandating from the federal government, "Do as I say," not "Do as I do." And so if you mandate it, make sure that every federal building, every federal contract is mandated. Mandates are only one way. It goes downhill. We are in the bottom. And so make sure that the federal government and all of your contracts are mandated first and foremost and see how it works.

We don't want to be your guinea pigs for your philosophy and for your programs. We would rather see the federal government work it first because what we have done, a lot of us have done, the environmental changes. And some of it works, some of it doesn't. And we have to explain to our taxpayers what happens.

When you mandate it, then you move us in one direction. And many times we lack the creativity, where if we had the flexibility, the funding, the technology for it, that gives us a little opportunity to be much more creative on a local level.

Ms. HANRAHAN. And I will just follow up on that. And the discussion about South Dakota actually made me think. You know, there is probably very little similar between South Dakota and Florida in terms of climate, in terms of population density, and probably in terms of building style.

That having been said, the only places that you are really seeing dramatic or substantial, I want to say, decreases in per capita energy use are those places that have much stronger building codes, most notably the State of California.

There are some municipalities being visited, like Austin, Texas and Burlington, Vermont and perhaps these other fine cities as well. I think we clearly have to work with our building trades and with groups like the AIA. The American Institute of Architects have said that 50 percent of all greenhouse gases are coming from buildings. So we have to address it.

And, again, I think that there is a market demand for it, and we are seeing that.

Mr. INSLEE. Thank you.

The CHAIRMAN. Great. The gentleman's time has expired. The Chair recognizes the gentleman from the State of New York, Mr. Hall.

Mr. HALL. Thank you, Mr. Chairman. And thank you all, our illustrious panel.

Yesterday morning I was honored to address the Westchester, New York County Task Force on Global Warming and Energy Policy. In Westchester County, they have an entire fleet of hybrid buses that they are very happy with. So if you would like any information on that, I would be happy to get it for you.

Mayor Daley, I understand that you have a fleet of Escape Hybrids that the city has purchased that, at least according to one internet site I found, are being retrofitted to be plug-in hybrids.

Mr. DALEY. Yes.

Mr. HALL. Can you tell us about that, how the process is going?

Mr. DALEY. Well, again, it is experimental. When you do these things, you can't move your whole fleet to one alternative source.

If you do, it could be a mistake. And so we are trying to, of course, review it and test it and find out how well it does.

Mr. HALL. I have myself, made the same decision that Mayor Hanrahan made, which was to buy an American hybrid, although I could have gotten better mileage by going with a Japanese one. But I want to support—this was my personal investment—the evolving auto industry in the United States as they try to move into energy efficiency more aggressively.

So my Mercury hybrid, which is a Ford product, I would like to be able to follow on your footsteps. If you have success with it, I may be sending my car to Chicago to be turned into a plug-in.

As you may have heard, Mayor Bloomberg in New York City has come forward with a very aggressive package for sustainable New York. It has a lot of interesting components. One of them, which is the more controversial element of his plan, is congestion pricing, charging those who drive in certain areas of the city a fee to reduce traffic and cut tailpipe emissions and to use that to fund capital improvements for mass transit.

At the risk of asking you to pass judgment on another mayor's proposal, what do you think of this type of arrangement? And are you considering any similar approach?

Mr. DALEY. Well, I think that London has had it, a certain segment of London has had it.

Like anything else, what we need, instead of going on that, we need funding the mass transit to make sure it is clean, safe, on time, and friendly 24 hours 7 days a week. And if you do that, then basically you don't have to do the other issue, dealing with eliminating cars out of downtown areas, because we have huge parking fees because, of course, parking fees generate money for local government.

And, like anything else, it is extremely important. You have a huge business community there. And I focus. If other cities want to try that, fine. They should be able to try that. London is doing part of it. New York wants to do that. But let them try it and figure out how well they do.

But, again, we can't lose sight of investments in capital and operating of transit. And the cost is tremendous when we try to build a rail system in a city or suburban area. And that is one of the issues.

Mr. HALL. If I could just jump in and take it from there? I am sorry. I only have five minutes. Perhaps the other mayors would expound from there. In terms of improving and augmenting mass transit, which you all have done, what types of interactions did you have with surrounding localities, suburb, exurb, and communities? And to what extent is that type of coordination vital to a successful expansion of mass transit?

Mr. POTTER. Well, I believe that we are becoming so intertwined economically, socially, and otherwise with our surrounding communities.

I don't really think it is just Portland in the suburbs in terms of what works and how we work together. So I meet regularly with the other mayors to discuss how we can create synergy because our transportation systems run through all of those communities. And so when we build light rail in Portland, it goes to the suburbs. And,

conversely, when folks move to the suburbs, they come into the city for their entertainment and dining out experiences. So that interrelationship to us is really important.

For me, in terms of how we begin to address that problem, we have got to give people more choices, and to me, choices that are alternative to the vehicle.

So we have talked about public transportation, but one of the areas also is the use of pedestrian and bicycles. There is a movement around the country in terms of walkable cities and walkable communities. I think that is really important but also because Portland is really committed to bicycling.

And we are seeing such a tremendous increase in the use of bikes. We can actually get people out of their vehicles and onto their feet or on a bicycle and that the net effect is much better, not only for our environment. We have a host of industries in the Portland area that deal specifically with sports and bicycling. We have some of the major manufacturers of bikes, plus sports gear.

Mr. HALL. And so a healthier population, too.

Mr. POTTER. Well, we are working on that part.

Mr. HALL. Mayor Hanrahan, would you like to?

Ms. HANRAHAN. We have some small, very small, towns around us, in the 5,000 to 7,000 range and some of them particularly with large employers. We have a Wal-Mart distribution center in one of our adjacent cities that has established a co-funding for a route that comes through Gainesville and to some of our more disadvantaged areas and takes people to jobs.

Again, they are not as happy as they would like to be with the ridership, but park and rides and those types of things are certainly things that we are working on with our adjacent municipalities.

Mr. HALL. Thank you. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman's time has expired. The Chair will recognize himself.

Let me ask you, Mr. Daley. The Center for Green Technology that you have in Chicago, could you explain that to us, why you formed it?

Mr. DALEY. Well, basically——

The CHAIRMAN. How successful is it? And, can other cities adopt it?

Mr. DALEY. Yes, it is very successful with regards to educating the public in a green building and educating especially architects, developers, and engineers, and contractors and subcontractors in regards to green technology and holding seminars for each one of the professionals and also for the community in regards to the building code. And that is one thing you have to sit down, both with management and with unions sitting down and retrofitting the building code in regards to green technology.

One of the things we found out with a number of sessions is that we have a green permit system. You get your permits much quicker than the other way. And that has helped us tremendously in business, residential, all types of developments in regards to the city of Chicago.

The CHAIRMAN. So what would you have to do to qualify for a green permit?

Mr. DALEY. Well, you have to follow the green technology code. And then, in turn, you have to commit so much to energy, so much to water, and so much to the type of construction material, everything else.

Once you identify that, you go with your architect or engineer. Then we certify that. And it moves very quickly. You will get your permit within weeks.

The CHAIRMAN. As opposed to?

Mr. DALEY. Months, months and months.

[Laughter.]

The CHAIRMAN. That is good government at its best.

Mr. DALEY. Much better, much more effective.

The CHAIRMAN. Now, can you talk to us about green alleys?

Mr. DALEY. That is one thing we have done in regards to water. Usually the alleys are mostly paved with concrete. And, in turn, what happens is it has to go in the sewer system. And one thing we are using is the system where they use in the Netherlands and other places, other cities, is where we are holding the water and letting the water slowly settle into the ground.

And because we have a combined waster and sewer system, you have to divert water out of the combined water and sewer system. You have to move the water away from that. Whether it is the alleys, whether it is the streets, or whether it is the rain barrels, whether it is the stormwater management system for any development, they have to apply for it. And you have to do that.

I really believe water would be—more like the oil crisis we are in today, we will be in a water crisis very shortly.

The CHAIRMAN. So Speaker Pelosi in taking over leadership of the House of Representatives in January created only one select committee for her first two years, this Select Committee on Energy Independence and Global Warming. And she named Congressman Cleaver as the former mayor of Kansas City to the panel because she wanted to focus on the cities. So we are going to be deliberating a block grant program for the cities. And you mentioned it in your opening testimony.

Could you tell us? Make the case for why the Congress should spend billions of dollars to help the cities in their planning and execution of the greening of those communities?

Mr. DALEY. Well, if you listen to it, it is not only mayors, myself, but it is the Metropolitan Mayors Caucus, which comprises about 75 percent of the population in Illinois, are firmly behind the block grant concept.

It deals with creativity. It deals with getting us money so that we know what works. And we are going to follow other mayors. We are going to talk to mayors in the metropolitan area, in my area. We are going to talk to other mayors throughout the country, what works and doesn't work, so this block grant can come to us that we can show by example, we can do more by example, and then allow the private sector to follow in regards to the environmental changes that we want to make in cities. And I think it is important that we lead by example.

I started building green roofs. The city did it first. I didn't mandate the private sector to do it. It would just be another mandate.

And the private sector, "Why are you mandating it? Why don't you do it if you believe in it?"

And so I think the mayors here, not only here at the panel but throughout the country, lead by example. And that would really move us into this whole environmental change we can adapt so quickly if we get the flexibility of a block grant.

You need flexibility. If you don't have the flexibility, you need flexibility with accountability, which is really important.

The CHAIRMAN. Now I would like to follow up on the point that Congressman Inslee was making just in terms of the image of being a green city and how it helps you. Can you elaborate on that?

Mr. DALEY. Well, here, the City of Chicago, industrial base, we have the stockyards. We have had the large tanning factories. We have had a river that was destroyed many, many years ago. We have had huge industrial bases. And we are basically retrofitting them.

As Mayor Potter pointed out in his city, we have a lot of green technology businesses coming in dealing with engineers, contractors, suppliers, manufacturers of green technology.

We have a whole green technology section of this city that young people are moving their business in. They start out with three or four or five people. And, all of a sudden, you turn around, they have got 25–40 people working in the green technology field.

And also we take money from the tax and financing districts and put money into these companies so they can purchase old manufacturing property or buildings and then retrofit them for them.

From our viewpoint, it makes economic sense. We are making money. We are saving jobs in companies. We are building more jobs in communities. At the same time, environmentally people get it. And it makes economic and financial sense for the City of Chicago investing in green technology.

The CHAIRMAN. And, again, there is an argument that is constantly made that there is a tension between the economy and jobs and going green, that you have to pay a huge price for that. Could you deal with that, Mr. Mayor?

Mr. POTTER. I think it is the next wave. And I believe that, as global warming becomes more and more of an issue, people are going to be looking for alternatives to what we are currently doing.

And so one of the things that I think that the federal government can be very useful and good at would be providing more information on what works and doesn't work around our country.

I have with me a floppy disk from 1993. And it is a 360-kilobyte floppy. This contains all the information that the City of Portland had in 1993 on global warming. And now this could hardly hold a conversation about what occurred this afternoon in this room.

So I think that the government—and I have seen it when I was in police work—can be a real conduit for providing information out into communities about what works, doesn't work, and encouraging change through the interaction between communities.

The CHAIRMAN. This has been a great hearing. I know the members really appreciate it. It is at the top of the list of the priorities that Speaker Pelosi has to put the cities front and center, to help the cities, for us to actually learn from their example so that we implement nationally what you at the city level have been doing.

And if she said it once, she said it 100 times to us as a Committee and that she wants us to focus on this.

What I would like to ask each of you to do is just give us your one-minute summation of what it is that you want us to know about the cities and their work in greening our communities so we can remember that as we go through this very, very complex but I think ultimately achievable energy bill and cap and trade climate change legislation that we will be considering this year. We will begin with you, Mayor Hanrahan.

Ms. HANRAHAN. Certainly. And I will just follow up where we have left off. I think this represents perhaps one of the most rich technological and economic opportunities that we have faced in a long time in this nation.

Speaking as someone who is an engineer and all but one of my siblings are engineers, my father is a chemist, I believe we have the capability in this nation to do this. That is what distinguishes the United States from the rest of the world. And that is what distinguishes the cities you are hearing from today. We are innovation-based cities. We are innovation-based economies. And that is the promise. This is something that draws in young people.

As elected officials, we all know the degree to which young people are not necessarily engaged in much of our civic discourse today. And in a situation where the most talented minds can live anywhere, they want to live in places where they have a high quality of life.

Gainesville was number one in Frommer's cities rated and ranked this year. We are very high in Richard Florida's Creative Cities. And it is because of these types of efforts. The idea that this is bad for our economy I think is really, frankly, laughable.

I want to thank you again for the opportunity. And I congratulate you on your work.

The CHAIRMAN. Thank you.

Mayor Potter.

Mr. POTTER. You know, the fact that people are still saying that in order to be green, we have to pay more, I think it is very obvious not just by today's session but around this country. Cities are the laboratories for change. And we are seeing change occur on a rapid scale.

I think that if the federal government were to really get behind a significant shift to sustainability, it would leverage the effect of what local communities could do by many factors.

So I am a strong supporter that we need to work in tandem. We need to leverage the understanding. And we need to build on that and provide other communities the opportunities and the incentives to make their communities more sustainable.

The CHAIRMAN. Mayor Daley.

Mr. DALEY. You could bring mayors and county officials, Democrats, Republicans, independents around the country. And they would really make a presentation about their creativity and what they have accomplished.

I got a letter from Mayor Gene Marks from Northbrook, Northwest suburban area. And he leads the way in the environmental movement, I would say, affluent community. But changes are taking place. And I think the federal government can learn a lot from

thousands of your mayors and county officials all over the country, the changes they have done. And what we need is basically leadership from the federal government and assistance in a block grant with technology and a willingness to become a true partner.

The CHAIRMAN. Thank you, Mr. Mayor. Thank each of you. We can't tell you how honored we are to have you with us today and how much it is going to help to guide us over these next couple of months in listening to you and trying to make sure it is built into federal law before the end of this year. Thank you all very much.

With that, this hearing is adjourned.

[Whereupon, at 3:54 p.m., the foregoing matter was concluded.]

RESPONSES BY MAYOR PEGEEN HANRAHAN OF GAINESVILLE, FLORIDA

1) Mayor Hanrahan, Gainesville is going to build a biomass-based power plant, rather than "clean coal" with the intent to be "carbon-conscious." Did you consider other solutions that would emit less carbon dioxide, such as nuclear?

Nuclear power and demand side management (energy conservation) were two low carbon options considered as part of our integrated resource planning. ICF, an engineering consulting firm we hired to review our options for meeting our projected energy demand, determined that appropriately designed conservation programs are substantially more cost effective than any generation option.

For over three decades Gainesville has owned part of an existing nuclear unit in Florida, Crystal River Unit 3, which is operated by Progress Energy Florida. Our experience, shared by all the other municipal utilities in Florida, is that nuclear construction and operation is best managed by large organizations as part of a larger fleet, due to the huge financial commitments and specialized information and skill sets needed. Until very recently, no nuclear operator has committed to constructing new capacity in the southeastern United States with transmission access to our community in Florida. Therefore, additional nuclear energy has not been considered to be a feasible option. The possibility of joint ownership of new nuclear capacity, possibly in service by 2016, was proposed in mid 2007. Gainesville is currently analyzing whether to participate in that plant pending the terms and conditions that are currently under development by Progress Energy. We anticipate undertaking a rigorous review of all of the risks and benefits of expanding our nuclear capacity.

2) How much will your constituents pay per kWh for the biomass-based power plant? How much would Gainesville residents have paid per kWh for "clean coal" energy? What is the difference in annual electric bills? What is the difference in start-up costs for a biomass-based plant compared to a clean coal plant?

We are still in the process of competitively obtaining biomass powered electrical capacity. The cost of biomass capacity per mega-watt is expected to be higher than for conventional solid fuels due to the smaller scale units. For the same reason, thermal efficiency is expected to be lower. Fuel costs are also uncertain, due to the lack of established biomass fuel markets in our region, the volatility of transportation costs, and competition with other users due to the increasing demand for renewable sources of energy. Studies of our self-build options and fuel resources indicate it is reasonable to expect "all-in" production costs (debt service, maintenance, operation, and fuel), to be between that of new conventional solid fuel units and new natural gas fired combined cycle units over time. In the first round of responses to our Request for Proposals, this expectation has been borne out. The range of capital and fuel costs for biomass-based generation range for the proposals we have received are between $80 and $125 per MWH compared to our estimated cost for new gas capacity of $95 to $105 per MWH in 2013. Our current average fuel cost for coal generation is $40, and for natural gas generation it is $90. Furthermore, the proposals we have received provide substantial benefits in the form of stable pricing with much less volatility than a fossil fuel alternative, as well as carbon and renewable portfolio benefits. We do not have an accurate current estimate for the "clean coal" option, but given that the plants that had been in some phase of development are currently not moving forward, our assumption is that the cost may have become less competitive than other options. In addition, the fact our initial research showed that carbon cannot be cost-effectively sequestered from such a plant at this time made it a less attractive option when compared to a plant using biomass waste.

3) **As you note, recent hurricane insurance claims have increased significantly. How much of the increase in claims can be attributed to the amount of new construction on coastlines, particularly houses and businesses that have a higher property value?**

Insurance rates have increased dramatically in Florida following the major storms of 2004 and 2005; however, definitive studies attributing cause to the level of specificity

of this question have not been made available to us. One point of particular frustration in Gainesville is that although we are not a coastal city, and we sustained relatively little property damage in recent storm seasons in comparison to many coastal areas, our insurance rates have risen dramatically along with the entire state. Both in the private insurance market and through the state-run Citizens Insurance Company, we suspect that our citizens are unfairly subsidizing the insurance rates of higher-value coastal properties.

4) **In your 2007 State of the City Address, you state, "As much as change can be difficult, a city is an evolving organism, and we must adapt with the times." How would rigid federal standards on energy usage, government fleet usage, etc, fit with your statement?**

Ignoring the real costs of inaction on climate change is a clear example of failing to adapt with the times. Continuing to run an economy based on outdated, inefficient technologies that require excessive reliance on foreign fuel and a transfer of American wealth to hostile nations hardly seems like good public policy at any level. To the extent updated federal standards require improved appliance and vehicle fleet efficiency, they are consistent with the adaptations we believe are essential. As always, the devil is in the detail, and care in setting standards must be exercised to avoid creating undue hardship and windfall profits. In failing to act on this issue, we believe the federal government is not only endangering the future of our children and grandchildren, but also missing an incredible opportunity to harness American ingenuity and reinvigorate our economy.

5) **Why is the City of Gainesville not yet a member of the Chicago Climate Exchange?**

There are a number of ways to extract value from carbon credits, including the Chicago Climate Exchange. Currently we are obtaining renewable energy carbon credits (from landfill gas to energy and photovoltaic facilities and from purchased wind energy tags) and retiring them on behalf of our customers. We are

compensated for this through green energy payments made by our customers through our "GRUGreen" program. We are in the process of registering our carbon and carbon offset credits through DOE's Section 1605b carbon registration program. We continue to review the Chicago Climate Exchange as well as other marketers of carbon credits (such as Sterling Planet or Green Mountain) as possible options for the future.

6) Do you replace working incandescent light bulbs with CFL bulbs?

Yes. It is very beneficial to remove a perfectly good incandescent lamp and replace it with a CFL. The savings can be found in the yearly operating cost, which is much less. The energy savings will occur immediately after turning on the CFL. In fixtures that do not operate very often such as a closet or storage room, the payback may take a little longer.

What about working traffic lights with LED's?

Again, it is most cost effective to replace the inefficient traffic light with the more efficient LED traffic light as soon as possible and we are currently implementing this change in our community.

If so, wouldn't you save taxpayer dollars by waiting until the existing bulbs burn out?

No. You have to look beyond just the upfront cost and consider the cost to operate the equipment over its lifespan. With most lighting improvements the upfront cost is much less than the cost to operate the light over time. If you assume an electric cost of $0.11 per kWh, it would take about 4½ years to recoup the initial investment in the LED. The energy savings are immediate, and the financial savings continue indefinitely after the 4½ year pay-back period. This does not even include the substantial maintenance savings of having extended-life LEDs that typically last over 100,000 hours. The manpower that is not used in replacing burnt-out traffic lights

can be used in other maintenance tasks, improving the overall condition of our community's infrastructure.

7) **Do you have any safety concerns with raising CAFÉ standards for the United States' auto fleet?**

No. Some of the efficient cars available in the U.S. market today have admirable safety ratings.

8) **How much did the University of Florida contribute to research in energy efficiency? What steps has the University taken to reduce their carbon footprint?**

There has been a collaborative effort between the University of Florida (UF) and our utility since 1979, when a UF professor wrote a computer program to perform energy audits. UF supports an extensive energy outreach program through its Institute for Food and Agricultural Sciences that has been an important resource to our efforts as well. Many UF faculty members bring their areas of expertise to the ongoing energy policy discussions in our community. UF has had aggressive energy and water conservation programs for many years and has created staff positions dedicated strictly to reducing its carbon footprint. You can read more about UF's sustainability efforts at: http://sustainability.ufl.edu/news/. In addition, our transportation partnership with UF has increased transit ridership at least six-fold in the past decade, reducing reliance on single-occupancy vehicles and the need for new, expensive parking facilities.

Vehicle purchasing policies, innovative automobile sharing programs and building design and construction are a few of the other programs that have been implemented. Recently, Shands, UF's affiliated hospital system, and the City have partnered to provide highly efficient energy services to a new hospital that is under construction. These services are provided by a combined heat and power facility, which makes electricity, steam, and chilled water from natural gas with a thermal efficiency of nearly 80 percent.

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

In terms of both conventional pollutants and carbon emissions, the operation of nuclear generators shows clear advantages over most other conventional options. If one conducts a more "cradle to grave" analysis of energy generation, including construction of power plants, mining and transportation of fuel, and ultimate disposal of waste, almost all energy generation options create substantial environmental impacts. This fact again reinforces the virtues of using energy as efficiently as possible. In addition, there will continue to be public debate about safety, decommissioning and fuel disposal. The continued development of new and standardized designs goes a long way toward reducing safety concerns. Among many in the power industry, it is well accepted that the current use of encapsulated fuel rod waste management systems is a safe, passive solution, potentially preferable to a centralized disposal site. Public fears and perception concerning fuel disposal need to be overcome before the construction of new nuclear capacity can proceed.

10) 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?

The thrust of my previous comments was not to suggest that the federal government tell local governments what to do, but to suggest that it assume a leadership role in issues that cannot be addressed at the local level alone. Examples include appliance efficiency standards, CAFÉ standards, or carbon constraint policies.

11) All of you tout increased energy efficiency throughout your local governments. Isn't lower energy bills sufficient incentive to become more energy-efficient?

As we have learned, humans, as well as governments, don't always behave logically. If they did, then federal, state and local governments, private businesses and consumers alike would have been doing this since the beginning of time because it made sense. We wouldn't need any laws or regulations for energy efficiency or to deal with other critical issues like pollution abatement. Over time, as energy costs rise, energy efficiency is starting to have greater value to all consumers, including government. For most, there is an upfront cost associated with achieving greater energy efficiency, and that cost can create a barrier, even when logically it would be the right thing to do over the long-term. This is especially true for local governments.

Why didn't more cities take these simple steps of saving on energy cost earlier?

Many cities, including Gainesville, did take simple steps earlier. This current movement is an expansion of our efforts. For instance, in 1999 our city-owned utility was recognized as EPA's "Ally of the Year" for our promotion of Energy Star homes. This was accomplished through a comprehensive education program in partnership with EPA. We were also the first utility in the state of Florida to implement a "green pricing" program in which customer donations were used to construct a photovoltaic system. These are just a few of the simple steps taken in years past. We are now taking the more difficult steps to aggressively reduce demand. There are several factors driving this change. There is greater technological innovation in the area of energy efficiency, better regulation at the federal level and a much better understanding by staff of the most cost effective ways to achieve energy savings. For consumers, there is also a better understanding of the benefits to the environment and to reducing their own costs. Over the years, change has occurred at many levels of government, not just cities. For example, federal regulations now require tougher energy efficiency standards for heating and air conditioning systems. Manufacturers must produce 13 SEER or greater HVAC systems rather than the old standard of 10 SEER. And technology is becoming more affordable - the cost for photovoltaic (PV) systems has dropped considerably. State and federal rebates and tax breaks, when combined with our local utility rebate, make these systems more

affordable. We hope that eventually these systems will be cost effective without incentives, but for now this market push is needed to help reduce energy use and spur the use of these systems. Even with these incentives customers tell us that cost is still a considerable barrier for them in purchasing a PV system. And this barrier doesn't just apply to consumers – coming up with the human and financial resources to make these types of investments is a challenge for private businesses and government alike, including the City of Gainesville.

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

For calendar year 2007:

Fuel	Percent
Coal	67.8
Natural Gas	25.9
#6 Oil	.02
#2 Oil	1.3
Nuclear	5.0

13)Do you support a carbon tax? If so, how expensive should the tax be?

The lack of consistent federal policy is leading to a state-by-state enactment of carbon constraints and/or renewable portfolio standards whose inconsistencies will not lead toward optimal technology and economic development. This is one of many reasons that leading corporations, states and municipalities are calling on the federal government to act. If carbon constraints at a federal level are imposed, the two leading modes of thought are a cap and trade program or a carbon tax. Cap and trade leads toward defined results and (in theory) economic optimality, but is administratively complex and can create price volatility. It is probably best applied to large point source emitters. Taxes are easier to administer but the outcome is much less sure. Many in the municipal power industry favor carbon taxation as easier to administer across all energy use sectors. The recommendations of the National

Academy of Sciences consist of an increasing scale through time, centered around about $6-9/ton. A key consideration in setting a tax level is what the funds will be used for. Dedication of tax revenues to appropriate technology development, production credits, and low income assistance should accompany higher taxation levels.

14) 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?

We received federal assistance for wastewater treatment in the 1970-1980's, brown-field and stormwater remediation assistance in the late 1990's and early 2000's, and some relatively small home weatherization and appliance replacement assistance in recent years through the HUD block grant programs. This latter category is roughly half a million dollars in total. In 2007, in collaboration with Oak Ridge National Laboratories, we applied for a $7 million grid modernization grant through DOE. It should be noted that the recent Clean Air Act amendments are requiring us to invest $140 million in additional air emission control equipment. Federal assistance we have received has been very much appreciated, but is dwarfed by our locally-prioritized expenditures in all areas of environmental protection and energy conservation.

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Select Committee on
Energy Independence and Global Warming
U.S. House of Representatives

Dear Mayor Potter,
Following your appearance in front of the Select Committee on Energy Independence and Global Warming, members of the committee submitted additional questions for your attention. I have attached the document with those questions to this email. Please respond at your earliest convenience, or within 2 weeks. Responses may be submitted in electronic form, at aliya.brodsky@mail.house.gov. Please call with any questions or concerns.

Thank you,
Ali Brodsky

Ali Brodsky
Chief Clerk
Select Committee on Energy Independence and Global Warming
(202)225-4012
Aliya.Brodsky@mail.house.gov

1) For all of the good work the City of Portland has done, will you be able to meet the Kyoto goal of 7% below 1990 greenhouse gas levels by 2012?

Preliminary data for 2006 indicate that greenhouse gas emissions in Multnomah County, which encompasses Portland, were less than one percent above 1990 levels. As Oregon, Multnomah County, and City of Portland efforts to reduce emissions continue to strengthen, it is possible that Portland will achieve the Kyoto target for the United States, but it is not a certainty.

More importantly, the Kyoto target must be viewed only as an initial step in reducing emissions. The best available science suggests that stabilizing the climate and avoiding the most destructive effects of climate change will require reductions of 60 to 75 percent. While we hope to meet the Kyoto target as an interim goal, our focus is on building a community that can thrive while producing vastly fewer emissions than we do today. We

must keep this long-term goal in mind even as we identify the critical steps we have to take today.

2) In your testimony, you explain that your policies have complimented voluntary choices by your constituents that have driven emissions down. This is similar to President Bush's policy, in which he calls for voluntary cuts in greenhouse gas emissions. As demonstrated by a net reduction in carbon dioxide emissions for 2006, his plan is also working. Do you agree that your plan, similar to President Bush's voluntary reduction is and has been an effective strategy to lower greenhouse gas emissions?

Portland's efforts have included a combination of incentives, technical assistance, and regulation. The challenge presented by climate change is so great that addressing it will require governments to draw on the full range of policy tools available.

3) You said that right now you are generating or buying about 10% of your power from renewable sources, yet by 2010, the City of Portland will be buying 100% of your electricity from wind. Is this the city government, or the entire city's population and industry? Is there a new wind farm coming online in the next three years? How much extra will your purchase of Clean Wind cost Portland taxpayers?

The City of Portland's goal is to provide 100 percent of the electricity used in city government operations—municipal facilities, streetlights, wastewater treatment, etc.—from renewable sources. We have been in negotiations with wind developers to build a new wind farm to supply Portland's municipal electricity needs. Whether the renewable resources cost more or less than electricity from the existing power plants will only be established definitively after the fact, since the cost of standard power from the electricity companies is unknown.

4) Throughout your testimony, as well as in other city documents, you repeatedly mention the role of incentives in your city's successes. For example, in your city's update report on your global warming plan, you discuss the benefits of energy-efficiency incentives provided by the Energy Trust of Oregon. What are the benefits of providing incentives rather than mandates? Do you think the federal government should also provide incentives instead of burdening industry and individuals with regulations?

Incentives are a key strategy for reaching many sectors and can help address the fact that market prices do not reflect the cost of environmental impacts like global climate change. Portland's experience has been that incentives are most effective when coupled with other assistance, including technical resources, education, and sometimes regulation.

5) What are some examples of steps you have taken to improve energy efficiency in multifamily units?

The City of Portland has worked with multifamily building owners and managers to simplify access to incentives and provide technical assistance in improving the efficiency, durability, and quality of their buildings. The resulting improvements make buildings more attractive to renters while also reducing tenants' utility bills and lowering tenant turnover. Typical improvements include adding wall and ceiling insulation, installing more energy-efficient windows, and installing compact fluorescent lightbulbs and efficient showerheads.

6) Were there any parts of Governor Kulongoski's Global Warming Strategy that were particularly difficult to meet?

Governor Kulongoski's Global Warming Strategy has been in place for just three years now, and full implementation will take a number of additional years. Since the strategy was adopted, Oregon has taken significant steps, both legislative and administrative, toward implementing the actions related to energy efficiency and renewable energy. Accomplishments include:

- Strengthening the Oregon energy code for residential buildings by 15 percent in 2008
- Requiring electric utilities to generate 25 percent of their power from new renewable resources by 2025
- Establishing a renewable fuel standard for transportation fuels
- Adopting state appliance and equipment efficiency standards for Oregon.
- Adopting greenhouse gas tailpipe emission standards.

Significant challenges remain, however. Oregon continues to explore how best to integrate land use and transportation decisions with greenhouse gas consequences, for example, and stemming the growth in solid waste is proving difficult. Likewise, Oregon has not yet implemented a greenhouse gas standard for electric utilities, which the Governor's strategy recommends exploring.

7) Do you think that all municipalities, regardless of size, should be required to keep an inventory of local greenhouse gas emissions? If not, what do you think the threshold should be? Population, industry, geographic location, or another standard?

As one component of a comprehensive national strategy for reducing greenhouse gas emissions, requiring municipalities above a certain size may be a valuable step. Like other entities, public sector and private, municipalities have a responsibility for reducing emissions. Through providing public services like wastewater treatment, streetlights, and public safety, municipalities are directly responsible for significant levels of emissions, and they are indirectly responsible for much greater emissions through policy setting around buildings, transportation systems, and community planning. Whether or not

municipalities should be required to inventory their emissions should be considered as policy makers evaluate an overall national emissions-reduction strategy. This indeed may be an area in which the federal government could use incentives to achieve the desired result. Moreover, more work needs to be done to streamline how emission measurement should be conducted.

8) How much does meeting LEED Gold standards cost the city in development and construction costs? How much per year does it save in energy costs? Are you encouraging the construction of LEED buildings through zoning or tax-incentives?

The City of Portland's own LEED buildings were completed too recently to have complete data on costs and operational energy savings, but recent studies of how LEED affects costs in public-sector buildings show that LEED does not necessarily increase design and construction costs. For example, a 2006 study by Davis Langdon looked at 18 community centers, nine of which sought LEED and nine of which did not, and found a "broad trend that the green buildings are indistinguishable from the greater population on a cost basis" ("Cost of Green Revisited," Davis Langdon).

In the past, Portland offered a financial incentive to buildings seeking LEED certification to spur the early adoption of green building, and green building is currently supported through a variety of floor-area-ratio bonuses, an annual $500,000 grant competition, and technical assistance.

9) On page 5 of your testimony, you explain the opportunities cities have to reduce energy use and emissions, if given "funding and flexibility." Wouldn't a uniform federal standard restrict each city's ability to adopt flexible incentives and policies?

Flexibility is essential to the ability of local governments to implement policies that are suited to the local economy and community, but performance standards can allow for flexibility while still ensuring that emissions are actually reduced.

10) What is the current make-up of Portland's vehicle fleet? What is the average mile-per-gallon for the city's vehicles? Have you invested in ethanol fueling stations?

Portland's municipal fleet includes a total of 1,900 vehicles, from heavy construction vehicles to parking-meter readers to bicycles, and the average mpg figure is not readily comparable to any other reference point. Portland's policy is to acquire the cleanest vehicle that meets the business needs of the department.

The City's fleet includes 3 SmartCars, 30 gas-electric hybrids and 85 vehicles that can run on E85. Flexibly fueled vehicles that can run on E85 are now specified for all new vehicle purchases when that feature is available. We are currently installing an E85 tank at our central fueling station. All diesel City vehicles run on B50—a blend of 50 percent biodiesel—and 144 of our diesel vehicles and equipment run on B99.

As a part of our local Renewable Fuels Standard, the City adopted binding policy requiring that all of the City's diesel powered vehicles and equipment run on a minimum of B20 (20% biodiesel blend), and all "flexibly fueled vehicles" run on E85 (once the fueling station construction is completed).

May City Bureaus also use a shared vehicle program ("Flexcar" in Portland) that has reduced the need for city vehicles.

11) Do you have your own more stringent standards for the weatherization or are you meeting federal standards?

In Oregon, building energy performance for new construction and major remodels is regulated at the state level, and local governments may require neither more nor less than the state code. Oregon standards for residential buildings exceed the 2003 International Energy Conservation Code, and commercial standards exceed the 90.1-2004 standards established by the American Society of Heating, Refrigerating, and Air-Conditioning Engineers and Illuminating Engineering Society of North America. As noted above, the energy performance required in Oregon's residential code will strengthen by a further 15 percent in 2008.

12) How will recent changes to Oregon's land-use laws influence Portland's energy and environmental policy? Do you anticipate suburban growth around Portland, which could be a set-back for your previous efforts?

The recent changes to Oregon's land-use laws undoubtedly add to the challenge of building communities that can thrive without relying heavily on fossil fuels. Demographers continue to anticipate, however, that Portland itself will absorb a large share of regional population growth, and we are confident that Portland's walkable, livable neighborhoods will continue to grow and thrive.

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

Until the question of nuclear waste disposal is satisfactorily addressed, I do not consider nuclear power an adequate energy source, especially with vast reserves of untapped potential in renewable resources like wind, biomass, geothermal, wave, and solar power, as well as substantial energy-efficiency opportunities.

14) 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 challenge of climate change will require a concerted effort at all levels of government working together with businesses and individual citizens. The impacts of global climate change on our economy and communities will be profound and far-reaching, and we need urgent action both at a national level and in cities and towns across the country.

15) All of you tout increased energy efficiency throughout your local governments. Isn'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?

Lower utility bills are an important benefit of energy efficiency, but until the price of energy reflects the cost of related impacts like global warming, cities, businesses, and individuals will invest less in energy efficiency than they should. Improving energy efficiency faces the additional challenge of overcoming conventional practice and often requires better integration of building design, engineering, and operation, which is simply unfamiliar to many. As cities and businesses begin to improve energy efficiency, they typically realize significant economic benefits and then pursue energy efficiency more diligently and with less need for added incentives. To motivate the first projects, however, typically requires a variety of efforts, including incentives.

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

Electricity Generation Mix Supplying Portland as of 2002

Hydro	36%

Coal	51%
Natural gas	10%
Nuclear	1%
Biomass and municipal solid waste	1%
Wind and geothermal	1%

17) Do you support a carbon tax? If so, how expensive should the tax be?

The City of Portland supports reducing emissions, and a carbon tax set at an appropriate level is a strategy that could be both effective and efficient. Portland has no formal position on a carbon tax, however.

18) 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?

Since the mid-1990s, Portland has received $719,000 in federal grants for energy-related initiatives, as follows:

- 1996, U.S. Department of Energy ReBuild America grant to improve building energy efficiency together with utilities and private- and public-sector partners, $500,000
- 2004, U.S. Environmental Protection Agency grant to fund outreach and education projects that improve indoor air quality in commercial and residential buildings, $19,000
- 2007, U.S. Department of Energy Solar America Initiative Solar City Strategic Partnership to further the market expansion of solar energy in Portland, $200,000