



**California State Association of Counties
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**Regional Council of Rural Counties
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May 12, 2009

The Honorable Henry A. Waxman
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington D.C. 20515

The Honorable Joe Barton
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington D.C. 20515

The Honorable Edward J. Markey
Chairman
Subcommittee on Energy and Environment
Committee on Energy and Commerce
U.S. House of Representatives
Washington D.C. 20515

The Honorable Fred Upton
Ranking Member
Subcommittee on Energy and Environment
Committee on Energy and Commerce
U.S. House of Representatives
Washington D.C. 20515

Re: The American Clean Energy and Security Act of 2009

Dear Chairman Waxman, Ranking Member Barton, Subcommittee Chairman Markey and Ranking Member Upton:

On behalf of the California State Association of Counties and the Regional Council of Rural Counties (RCRC), we write to respectfully request that the Committee on Energy and Commerce (Committee) consider the following important issues as they continue their debate on national energy and climate change policy. Together RCRC and CSAC represent county government before the California Legislature, administrative agencies and the federal government. Representing all 58 of California's Counties and its 38 million residents, CSAC and RCRC place a strong emphasis on educating the public about the value and need for county programs and services critical for healthy communities.

California counties recognize that climate change and the release of greenhouse gases (GHG) into the atmosphere have the potential to dramatically impact multiple aspects of human life, including our environment, the economy and public health and safety. CSAC and RCRC share a commitment to promote energy conservation and efficiency at the local level, while advocating for long term policy changes to help reduce the effects of global climate change.

As you may know, California has been a leader in the fight against global warming and in the field of renewable energy. In 2002, the California Legislature adopted an aggressive Renewable Portfolio Standard (RPS), requiring Investor-Owned Utilities (IOUs) to increase their renewable energy portfolio to 20 percent by 2017. Additionally, in 2006, legislation was approved to accelerate this deadline from 2017 to 2010. Furthermore, in 2006 the Global Warming Solutions Act (AB 32) was signed into law by Governor Arnold Schwarzenegger, establishing the nation's first environmental law of its kind. This

landmark legislation requires the State of California to reduce GHG emissions to 1990 levels no later than 2020 through a combination of regulatory and market mechanisms.

CSAC and RCRC appreciate the opportunity to comment on draft legislation, and we urge the Committee to consider the following issues as progress is made on national climate and energy policy.

Clean Energy – Renewable Electricity Standard (RES)

Hydropower

California's counties urge the Committee to consider the importance of hydropower and the inclusion of this form of renewable energy into the development of any RES developed by Congress. Additionally, we urge the Committee to consider the broadest possible definition of hydropower.

According to the US Energy Information Administration, hydropower is the most frequently used form of renewable energy that generates electricity. In 2007, this form of energy accounted for 6 percent of total U.S. electricity generation and 71 percent of generation from renewable energy sources. Counties in California, especially in rural areas, rely heavily on this form of power.

CSAC and RCRC urge the Committee to consider including all existing and newly built hydroelectric generation, regardless of size into the RES. Hydropower is currently an up-and-running renewable energy sector. Limiting the inclusion of this clean and abundant source of energy could inhibit the ultimate goal of a greater reliance on low or zero emission renewable energy. Additionally, there should be no limitation requiring the maintenance of water levels of existing dams. Many dam sites could have the water-level raised with minimal or no additional environmental concerns, which could in turn, give them a greater power-generating potential.

Biomass

California counties urge the Committee to consider a broader definition of biomass. Biomass currently represents about two percent of power generated in California. While this might seem like a small amount, the opportunities available with biomass warrant attention. Biomass presents the opportunity to integrate several environmental problems into one solution. By integrating air quality goals, wildfire prevention and waste management strategies into a biomass policy, several critical environmental problems will be addressed and a viable industry will remain intact.

Currently, there are several different definitions of biomass in existing federal law. CSAC and RCRC strongly encourage the Committee to develop a consistent and broad definition of biomass, ensuring that it include the widest possible range of materials, including all possible agricultural, forest, and scrubland (such as chaparral) products.

Additionally, federal forests are essentially excluded from the definition in the current draft of the bill, even though many federal forests desperately need fuels reduction/thinning projects to restore forest health, control insects and disease, and prevent catastrophic wildfire. The demand for biomass could add value to the bi-products/products from fuels treatments and help to offset the cost of biomass removal from federal forests. CSAC and RCRC urge the Committee to consider a biomass definition that includes all products from private, state and federal lands.

Transmission Planning

CSAC and RCRC support deployment of renewable and other zero-carbon energy sources for generating electricity to reduce greenhouse gas emissions while ensuring reliability, reducing congestion, and providing for cost-effective electricity services throughout the United States. In respect to the Committee's plans to enhance the regional transmission planning processes we

support the inclusion of assurances that ensure a collaborative stakeholder process to identify nationwide transmission needs. This is particularly important in the identification of potential sites for transmission corridors.

Reducing Global Warming Pollution

CSAC and RCRC urge the Committee to recognize the work that the State of California and its local government partners have already undertaken in the area of climate change. We strongly urge the Committee to grandfather in existing climate policies and not preempt our existing standards with a one-size-fits all federal mandate. Specifically, we are concerned that the program as envisioned by the Committee would preempt California's proposed cap-and-trade program. The California Air Resources Board (CARB) is working very closely with stakeholders and the Western Climate Initiative (WCI) to craft a cap-and-trade program to meet the goals set forth in AB 32. CARB is already requiring industries to begin reporting, and will implement the cap-and-trade program in 2012—a year before the program proposed by the Committee would go into effect. Unless a provision is included to grandfather in existing programs, this bill could negate the work of California's regulated industries that are already reporting, creating an even greater cost to California consumers.

Furthermore, CSAC and RCRC would like to emphasize the fact that many state, local and not-for-profit agencies are in the process of developing, or have already initiated climate change-related programs. We strongly urge the Committee to look to work that has already been accomplished and support the inclusion of these programs into the larger GHG reduction framework.

As representatives of California local government, we look forward to working with you to help craft this important legislation. Should you have any questions regarding our position or would like additional information, please contact Melissa White, RCRC Federal Affairs Coordinator at 916/447-4806, or Karen Keene, CSAC Federal Affairs Coordinator at 916-327-7500 ext. 511.

Sincerely,



Karen Keene, CSAC
Deputy Director, Federal Affairs



Melissa M. White, RCRC
Federal Affairs Coordinator

cc: Members, California Congressional Delegation