Speech: Alaska Forum on the Environment
9:45 to 10:15 a.m., Monday, Feb. 11, 2008
Egan Convention Center

- Thank you Rear Admiral Brooks for that kind introduction.

- Good morning to everyone. It is a pleasure to speak at the 10th anniversary of the Alaska Forum on the Environment. Congratulations on reaching this milestone. Alaska is a leader in environmental protection, and I thank this organization for its part in our successes.

- Alaskans are environmentalists. We all share a deep love and respect for the outdoors. It's part of our DNA, just like our being ornery. I think some in the Lower 48 learn in time to love their environment – we in Alaska have an instant appreciation and respect for the beauty that surrounds us.

- Looking at your agenda, I know you will be getting a great overview of environmental issues in the state and what you can do as individuals to protect the environment. For my part I want to give you an overview of the actions we have taken in Washington to benefit our environment.

- Congress has actually been busy – shocking, I know – when it comes to energy efficiency and renewable-energy issues. During the past three years Congress has done more to promote energy efficiency, conservation and renewable energy since the first fuel-economy standards were set in 1975. The two energy bills we passed have done more to promote new technology and push construction of renewable and alternative energy projects in this nation than ever before.

- Clearly, however, there is still more work to be done. We need to fully fund the research and demonstration and construction aid proposed in the bills, and pass legislation to extend and enlarge the tax incentives proposed to help promote renewable energy.

- <u>Energy Bills:</u>

- Over the past several years Congress has listened to the American people and taken significant steps to promote conservation and the use of renewable and alternative energies.

- In December we passed the largest increase in vehicle fuel economy standards since 1975 by requiring the average fleet-wide standard for vehicles reach 35 miles per gallon by 2020. The change should save at least 1.1 million barrels of oil a day in 2020, save consumers $25 billion in fuel costs by 2020 and reduce U.S. carbon emissions by 200 million metric tons a year.

- We imposed tough new energy efficiency standards for 14 consumer appliances from dishwashers to refrigerators and from heat pumps and air conditioners to furnaces. I specifically won a provision for cold climates to give *Energy Star* tax credits to consumers and tax credits to producers of duel-fuel appliances that cut energy use.

- And here's a bright idea. We mandated the use of more efficient light bulbs. The phase-out of many old incandescent bulbs by 2014 should improve energy efficiency by up to 30 percent and prevent an additional 100 million metric tons of carbon emissions a year.

- We mandated new building codes in federal buildings and provided $2.7 billion in tax incentives to increase insulation and improve heating and lighting systems in private homes and offices.

- We are continuing to encourage the production of biofuels, and we are doing it smarter. We created a renewable fuels standard that now calls for 36 billion gallons of biofuels to be generated in this country – that's 20% of current fuel usage – by 2022. But we know corn-based ethanol has its own set of issues, so we limited the amount of biofuels that can come from corn kernels to less than half of the 2022 standard. The rest hopefully will come from cellulosic ethanol and from animal fats and fish oil. The shift by 2022 should cut carbon emissions by an additional 114 million metric tons a year.

- Looking at further reducing fuel consumption and pollution, we moved to promote hybrid and plug-in electric cars with help for both battery and engine research and tax credits to encourage consumers to buy more fuel-efficient vehicles. We funded billions of research dollars for development of hydrogen fuel cells. And we won a provision I had proposed last winter to take the first step toward a Corporate Average

Fuel Economy standard on commercial trucks. That could save an additional 500,000 barrels of oil a day.

- We provided billions of dollars of research and tax credits to encourage renewable energy development: wind, open- and closed-loop biomass, solar, geothermal and landfill gas. In December we passed a specific initiative to get geothermal moving by utilizing “hot rock mining” everywhere, not just at hot springs. And we took steps in an effort I led to expand aid to capturing energy from the ocean, including funding of up to six national ocean research centers to advance tidal, current and wave energy projects.

- In December, we created a Renewable Energy Deployment Fund that authorizes grants of up to 50% of the cost of all forms of renewable energy in Alaska, including building small hydro projects. We also won additional aid for installation of geothermal power projects in high-cost areas.

- No, I’m not done. I will push for federal funding to aid construction of everything from wind farms at Fire Island or Neva Creek outside of Fairbanks to geothermal projects at Chena Hot Springs, Mt. Spurr or Naknek, to ocean projects

in Prince William Sound or Southeast and to landfill gas and biomass projects that might provide renewable power from Galena to Ketchikan.

- Despite that long list of accomplishments, I must admit today that we in Washington are not perfect. We failed last year to approve a tax bill to extend "green" energy bonds and to extend tax credits for wind farms and to ocean energy. So I pledge here to you that I have not given up and will work hard to extend those important provisions.

- OK, everyone agree with those efforts? Now, let's talk coal. We funded research and demonstration projects to prove that carbon can be economically captured from coal-gasification power plants and stored underground – producing carbon-free energy. Coal technology is improving and could soon provide an emission-free source of energy.

- As you know, Alaska leads the world in coal reserves. By utilizing gasification and then capture and storage technology we can achieve an affordable source of energy that has zero carbon emissions.

- Meanwhile, the federal government has laid out a blueprint that could push renewables to a ten-fold increase from their current 2% share of U.S. energy needs, perhaps by the end of the next decade. Yes, this will depend on funding, but the blueprint is on the table. That's a lot better than when it was rolled up in a tube stuck behind the file cabinet.

- Village Assistance/Climate Change:

- We don't need any blueprints to tell us that Alaska villages are on the front lines of climate change. From Shishmaref to Newtok and Kivalina to Dillingham, Bethel and Unalakleet, we face the dangerous challenges of coastal and river erosion.

- We must help rural villages deal with the damage and perhaps even relocation costs due to coastal and river erosion.

- Alaskans see first hand the damaging effects that climate change can cause, and I need your help in getting out that message.

- Most of us here today understand that Alaska's climate has been changing during the past three decades. We know that the North is warming. We've seen that the Arctic ice pack is shrinking, that permafrost is thawing, that vegetation and fish and wildlife habitat is changing. Climate change is a worldwide battle, and we need to establish a beachhead right here at home – literally.

Climate Change Legislation:

- While we are fighting the impacts of climate change in Alaska, Congress is taking on the causes.

- Last year, Senator Stevens and I co-sponsored legislation to formally establish a "cap and trade" carbon emission program designed to significantly reduce carbon emissions in this country – and a bill that should encourage foreign nations to follow suit.

- The Low Carbon Economy Act, sponsored by Senators Jeff Bingaman and Arlen Specter, would for the first time place an economic cost on carbon emissions, a cost guaranteed to

rise each and every year until carbon emissions are brought under control.

- It would halt the growth in emissions and return this nation to 2006 levels of carbon emission by 2020, and to 1990 levels by 2030. This requirement is even more demanding when you realize it allows nothing extra for our growing population and electricity demands. We would have to conserve and invent our way to lower emissions.

- Even better, it would set a target for this country of cutting emissions by 60% below 2006 levels by 2050. That is an amount that fully meets the recommendations of the U.N.'s Intergovernmental Panel on Climate Change.

- The Low Carbon Act would cut carbon emissions by pushing development of new technology, while providing reasoned protection to our already troubled economy. Clean is good, clean and economically healthy is even better.

- The Low Carbon Act covers a huge segment of our economy - covering 85% of all sources of carbon. That's significantly better than the 70% for the rival Lieberman-Warner bill.

- According to new EPA modeling, the Bingaman bill is likely to produce almost the same reduction of carbon emissions as the Lieberman climate bill. But it does so at likely half to a third of the cost of the Lieberman bill. And cost is important to the poor in this country, to Alaska Natives already struggling to buy fuel for their homes, and to the elderly on fixed incomes.

- In months of negotiations, Senator Stevens and I made sure that the Bingaman bill focused on Alaska-specific northern climate needs. It provides vastly more adaptation assistance for Alaska than the Lieberman bill.

- In the Bingaman bill, Alaska would receive significant assistance to deal with the causes and impacts of climate change. The funding could go to build renewable energy projects throughout Alaska as well as funding village relocation, road, port and seawall improvements. That money also could go for climate research, wildlife and fisheries improvements. Alaska is on the front line of climate change and we deserve assistance in holding that line.

- The Lieberman bill, by comparison, doesn't recognize Alaska's unique position in fighting the effects of climate change. Adaptation funding in the bill is limited to a small amount in comparison to the Bingaman bill. It is clearly insufficient, especially knowing that the University of Alaska's Institute of Social and Economic Research last year identified a substantially larger need, should climate change patterns continue.

- I know many of you in this room have concerns that the Bingaman Low Carbon Economy Act is not doing enough, fast enough to meet your expectations. I would encourage you to look again at the merits of the bill and its particular recognition of Alaska's unique situation.

- Early action to reduce carbon emissions is vital if meaningful reductions are going to occur. The Bingaman legislation gets us in the game quickly and addresses Alaska's issues.

- If the Lieberman bill becomes the vehicle for climate change legislation, I will work hard to improve the bill to better meet Alaska's needs. I tried last year, and I will try again this year. I authorized two amendments during mark-up of the bill in

the Environment and Public Works Committee in December. One would have created a larger adaptation fund for infrastructure improvements. The second would have created a way to pay for climate-related scientific research by institutes of higher education, such as the University of Alaska.

- Neither of the amendments was accepted. But talks are continuing. Until there is final product, it is impossible for me to say how I will ultimately vote, but I continue to support the Bingaman bill as the best bill for Alaska that is likely to become law in the foreseeable future.

<u>Conclusion:</u>

- I want to leave you with a few thoughts on what we can do together to help the environment in the coming year.

- First, I would encourage you to work with Governor Palin and the State Legislature to win passage quickly of a state renewable energy fund.

- Looking at the painful size of the federal budget deficit and the pleasant size of Alaska's $40 billion Permanent Fund, it

is increasingly important for Alaska to help itself by funding energy development. The federal government will not provide more than 50% of the cost of renewable energy projects. The State must step forward to help get these projects off the ground, or doom Alaskans to paying rising fossil fuel power generation costs for decades to come.

- Second, everyone needs to take responsibility for reducing their own personal energy use. By continuing to educate others, you will help lead us to a more energy independent future. Whether you replace that incandescent bulb with a compact fluorescent, unplug your cell phone chargers when not in use or add insulation to your attic, personal steps are effective in reducing total energy usage.

- In closing, the ultimate solution to climate change and many of our other environmental challenges is for this nation to lead the world in the development of new technology to promote alternative energy, conservation and energy efficiency.

- We must invest in research and development to lessen our dependence on oil and gas. And we need to find affordable

answers, not theories. There are billions of people around the globe whose standard of living is low. We need to focus on cutting carbon emissions in the most cost-effective way possible. We need to focus on answers that improve life for everyone, not just well-off Americans. We need to remember we are not alone in the world.

- I believe Congress has taken unprecedented steps in recent years to promote both energy conservation and development of alternative energy technologies. And while searching for those answers, we need to fund continued research to better use our fossil-fuel energy – cleanly, capturing and storing the carbon it generates.

- We've made a start. We just need to do more. With your help I'm sure we will do both for the benefit of our beautiful state and all who live on and off its land. Thank you.