



Citizens for Pennsylvania's Future
610 North Third Street
Harrisburg, PA 17101-1113
P 717.214.7920
800.321.7775
F 717.214.7927
info@pennfuture.org
www.pennfuture.org

June 19, 2009

Vice Chairman Tyrone Christy
Commissioner Kim Pizzigrilli
Commissioner Robert Powelson
Pennsylvania Public Utility Commission
400 North Street
Keystone Building
Harrisburg, PA 17120

Dear Commissioners Christy, Pizzigrilli and Powelson:

We were extremely disappointed to read your communication to Representative Glenn Thompson that was shared with the Pennsylvania Congressional delegation, which purported to be an analysis of the American Clean Energy and Security Act (H.R. 2454). **In your memo, you failed to disclose that the study which you cite is not an analysis of H.R. 2454, but rather an analysis of the Warner-Lieberman Climate Change Act of 2007.** The analysis you provided is simply inaccurate and entirely misleading and your distribution of this study as fact to Pennsylvania's Congressional delegation is clearly not in the public interest.

In addition, the study is based not on accepted projections of energy demand and fossil fuel prices, but the study's base assumptions were provided by the National Association of Manufacturers and the American Council for Capital Formation. In fact, the study's assumptions are based on the view that reducing CO₂ emissions has no real benefit; therefore the study is not an honest cost-benefit analysis, but rather a disingenuous cost analysis. Further, the study assumes that the U.S. economy is completely non-adaptive to change and that workers who lose jobs in polluting fossil-fuel industries will be permanently unemployed. The study does no analysis of the job-creating potential of the renewable energy and energy efficiency industries, nor does the study address the costs of inaction that severe climate changes will bring to the economy.

The study is not an analysis of the legislation currently before Congress, and your alarmist analysis proceeds from the premise that CO₂ allowances will cost \$60 a ton by 2013. In fact, H.R. 2454 awards free CO₂ allowances that cover 90 percent of CO₂ emissions from coal-fired power plants. The free allowances would continue to be given to the electric utility sector until 2030 with a five-year phase in between 2026 and 2030.

Your analysis did acknowledge the significant role energy efficiency will play in keeping down the costs of any cap and trade system. As you correctly pointed out, Pennsylvania's Act 129 will require a three percent reduction in the demand for electricity by 2013 which is estimated to save at least \$4 billion and create 12,000 jobs. H.R. 2454 requires an eight percent cut in demand by 2020. The energy efficiency program in H.R. 2454 would provide direct financial assistance to families to install weatherization measures and renewable energy technologies putting tens of thousands of people to work, and saving consumers money.

The citizens of Pennsylvania and our Congressional delegation expect better of their public officials than to engage in this kind of deception. We respectfully ask that you distribute a clarifying memo to the Congressional delegation so they have the benefit of full disclosure of the source of the information.

We also ask for a meeting with you. To arrange for a meeting, please contact PennFuture's Harrisburg office at 717-214-7920.

Sincerely,

Jan Jarrett, President and CEO, Citizens for Pennsylvania's Future (PennFuture), Harrisburg
Marcus Sheffer, Principal, Energy Opportunities, Inc./a 7group Company, Wellsville
Ann Gerace, Executive Director, Conservation Consultants, Inc., Pittsburgh
Michele Sands, Chair, SEEDS of NE PA (Sustainable Energy Education & Development Support), Tyler Hill
Wes Hamilton, Attorney-at-Law, Zelienople
Sue Hoffman, MPP, Board Director, Mishkan Shalom Synagogue, Philadelphia
A. Sherwood Johnson, DVM, Pittsburgh Veterinary Specialty and Emergency Center, Pittsburgh
Kate Ward, Associate Director, Philadelphia Physicians for Social Responsibility, Philadelphia
Nathan Willcox, Energy and Clean Air Advocate, PennEnvironment, Philadelphia
Joy Bergey, Project Director, Pennsylvania Interfaith Climate Change Campaign, Philadelphia
Ted Glick, Policy Director, Chesapeake Climate Action Network, Maryland and Virginia locations
Joseph Otis Minott, Esq., Executive Director, Clean Air Council, Philadelphia
Myron Arnowitt, Pennsylvania State Director, Clean Water Action, Pittsburgh
Steve Weinberg, National Foundry Products, Inc.
George Abar, the Alliance for a Fair and Effective Climate Policy

Cc: Pennsylvania Congressional Delegation
Governor Edward Rendell
Public Utility Commissioner James Cawley
Public Utility Commissioner Wayne Gardner
Senator Joseph Scarnati
Senator Dominick Pileggi
Senator Robert Tomlinson
Senator Lisa Boscola
Representative Keith McCall
Representative Todd Eachus
Representative Sam Smith
Representative Joe Preston
Representative Robert Godshall
Members of the Climate Change Advisory Committee