

April 1, 2009

President Barack Obama  
The White House  
1600 Pennsylvania Ave NW  
Washington, DC 20500

Dear President Obama,

We write to you as leaders representing divergent political beliefs and operating in diverse fields of endeavor, from elected office to private industry to nonprofit research. Despite these differences, we share an abiding common concern and a pressing urgency on the need to rebuild our economy on the foundation of clean, domestic, renewable, and efficient energy. We know you share our conviction that energy innovation can serve as the catalyst for economic renewal. We ask you today to recommit your efforts to rapidly build the infrastructure for a new energy economy using all the policy and leadership tools at your disposal. This challenge begins with rewiring the electricity grid to facilitate large-scale use of renewable energy, dramatic gains in energy efficiency, and the move to clean domestic transportation fuels to reduce the economic, environmental, and national security risks posed by our dependence on foreign oil.

Today, America confronts three closely related and growing crises. For our economy, we must rebuild infrastructure, improve competitiveness, and create family-supporting jobs. For national security, we must restore global leadership and reduce our vulnerability—and this means reducing foreign oil dependence and averting dislocations due to global warming. And to preserve our planet, we must head off the worst effects of climate change by rebuilding the economy on the foundation of low-carbon energy. These separate crises share a common solution and offer a compelling vision for moving the nation forward. But bold action will require strong leadership and thoughtful policy. This letter highlights a few areas where your leadership can have great effect.

Our current electricity system was not designed for today's challenges—from terrorism to climate change—and the status quo is expensive. Disruptions to the grid cost the economy \$100 billion per year in damages and lost business, while transmission congestion costs consumers \$22 billion annually in higher prices. A modern electricity system, on the other hand, promises great benefits and delaying its implementation means missed opportunity. According to the U.S. Department of Energy, producing 20 percent of U.S. electricity from wind would reduce electric sector CO<sub>2</sub> emissions by one quarter in 2030, or the equivalent of taking 140 million cars off the road. This investment would create 350,000 domestic jobs in support of the wind industry, including steel workers, electrical manufacturing workers, and many other good local jobs, while producing \$600 million a year in new rural economic development.

On February 23 of this year, we came together at the Newseum in Washington, D.C. for a National Clean Energy Project summit, which focused on the challenge of capturing this energy opportunity. At that event, we brought together an influential group of leaders from your administration, Congress and states, business, labor, and advocacy to help refine and advance the policy agenda and build political will to support a clean, reliable, and intelligent energy infrastructure for the 21st century. At this event, the Center for American Progress presented a discussion draft of “Wired for Progress,” a policy paper that offers a possible framework for compromise to build support for rewiring the nation’s electricity grid.

Since that time, Senator Harry Reid (D-NV) has introduced the Clean Renewable Energy and Economic Development Act, a major piece of transmission legislation focused on rebuilding our electricity grid. Senator Reid’s bill and the CAP plan share many features in common. Further, such a national strategy to rewire the electric grid and bring large-scale clean renewable energy to market will advance the goals that are articulated in the Pickens Plan: to exchange reliance on clean renewable energy and domestic natural gas for our current dependence on foreign oil.

This last month has also seen great political momentum build on clean energy. Senator Bingaman has also circulated draft text of a transmission bill, and the Senate Committee on Energy and Natural Resources held hearings on the subject. Both the House and Senate are moving rapidly toward legislation that combines forward-looking energy policies with serious action on climate, to drive new investment into the clean energy transition. In such an integrated energy bill new political coalitions are possible, and a truly national consensus can be achieved. This will involve support for strong renewable energy and efficiency standards, supported by commitment to a national transmission infrastructure and intelligent “smart grid” distribution, which both ensure that cleaner energy also improves reliability, security, and affordability for consumers over time.

We attach to this letter a copy of “Wired for Progress 2.0,” a report following up on the February summit, outlining a framework and strategy for rewiring the grid. Four key principles must guide this effort.

- First, a national clean-energy smart grid must be well planned and built on existing efforts, giving states and communities a strong voice in the process and designing a national electricity network to access our vast renewable energy resources.
- Second, this sustainable grid infrastructure must actually be built. This will require stronger authorities to permit and site new transmission lines, with serious environmental review and local engagement—but with an equal commitment to see projects through to completion.
- Third, costs must be shared broadly so that no single state or group of ratepayers is left to carry these investments alone. Moving to a clean-energy infrastructure is a national problem that will require a national solution and shared commitment.
- And fourth, this new grid must be built for the purpose of transitioning to low-carbon energy—in other words, it must be green. A more secure and resilient grid is important in its own right, but if we rebuild the grid without emphasizing this goal, there is a danger that we could unintentionally increase global warming emissions. Instead, we must seek assurances that a more robust transmission system contributes to building a low-carbon economy.

In addition, this national clean energy grid must be designed and built with three other principles clearly in mind:

- It must be smart, deploying advanced information technology to enable better management, control, and consumer choice.
- It must be secure, with strong protections against terrorist attacks, ensuring both physical and cybersecurity.
- It must create good jobs. Linking job-quality standards, meaningful training opportunities, and guarantees of local community benefits will help make sure that building a clean-energy economy produces lasting economic development and lifts up the lives of citizens and communities nationwide.

Your leadership in proposing and signing the American Recovery and Reinvestment Act laid an important foundation for rebuilding our energy system. The recovery package will invest in several thousand miles of new transmission lines, millions of smart electric meters, and millions more energy-efficient homes. While these public investments are critical to “priming the pump” and jump-starting new demand, in the long run it will be private enterprise that rebuilds America.

As a result, our next great challenge is to set better rules and send the right market signals to drive private investment. Energy and climate policies will help steer hundreds of billions in new private capital to build the infrastructure of a national clean-electricity grid; new power plants that run on the wind, sun, and geothermal energy; and smart technology systems to modernize our energy use. In the new clean energy economy, the federal government will set the road signs, but it is the private sector that will drive.


We thank you for your leadership thus far, and urge you to continue to advance a bold national clean-energy vision that is informed by these smart transmission and infrastructure policies that we have found essential from engaging with many stakeholders in the energy debate. We stand ready to support you as we rebuild American together on the foundation of clean, domestic, and efficient energy use.

Sincerely,



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Senator Harry Reid



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T. Boone Pickens



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John D. Podesta