

Top 10 Reasons the Senate Should Strengthen and Pass ACES

Comprehensive energy and climate legislation is vitally needed this year to help deliver economic, energy, and climate security. As President Obama has said, the choice is “between a slow decline and renewed prosperity; between the past and the future.” The time to act is now.

The American Clean Energy and Security Act (ACES), which passed the House at the end of June, is an excellent starting point for this urgent task. Below are the top 10 reasons the Senate should strengthen and pass ACES.

- 1. It cleans up pollution.** ACES sets the first-ever national limits on global warming pollution. These limits get tighter every year, with science-based long-term emission limits that will cut emissions 42 percent by 2030 and 83 percent by 2050 compared to 2005 levels. The bill should be further strengthened by requiring at least a 20 percent reduction by 2020 and preserving the Environmental Protection Agency’s authority to set New Source Performance Standards and conduct New Source Review with respect to greenhouse gases.
- 2. It’s Comprehensive.** ACES establishes a declining cap that covers approximately 85 percent of U.S. emissions of carbon dioxide and other heat-trapping gases, and includes complementary performance standards to advance energy efficiency, renewable, and clean energy technologies. The bill should be strengthened by fully accounting for the pollution created by producing biofuels.
- 3. It creates jobs.** ACES will create the clear rules and economic drivers for the investments we need to shift to a clean energy economy. Investing \$150 billion in clean energy, which ACES will help achieve, will create a net increase of 1.7 million jobs according to the Political Economy Research Institute.¹
- 4. It’s affordable.** According to both the Environmental Protection Agency and the Congressional Budget Office, the actual per-household cost of the ACES bill in 2020 will be less than a postage stamp a day. NRDC’s research shows that under this bill by 2020 American households will save \$6 per month on their electricity bills and \$14 per month on the cost of owning and driving their vehicles.²
- 5. It increases security.** ACES provides the retooling incentives and loan guarantees needed to achieve President Obama’s aggressive targets for cleaner, higher-mileage vehicles by the year 2016—targets that are expected to cut U.S. oil dependency by 1.4 million barrels a day by 2020, according the Union of Concerned Scientists.³
- 6. It’s fair.** The vast majority of the emission permits established by ACES are distributed for public purposes, not private windfalls—more than 80 percent over the life of the bill, according to Harvard economist Robert Stavins.⁴ The bill should be strengthened by dedicating a larger portion of the value of the permits to energy efficiency investments.
- 7. It’s transparent.** ACES includes important provisions to transparently and effectively regulate the market for trading greenhouse gas permits, as well as futures and other derivatives.
- 8. It keeps us competitive.** ACES ensures that energy-intensive U.S. manufacturers have a level playing field so they can compete and win in the global economy by investing in state-of-the-art domestic facilities, preventing jobs and emissions from moving overseas.
- 9. It pays for itself.** ACES will not increase the federal budget deficit, according to the Congressional Budget Office.
- 10. It’s feasible.** ACES is not perfect (no legislation is), but it passed the House and it addresses concerns about cost and competitiveness that are key to success in the Senate.

Action to secure our economic, energy, and environmental future has already been delayed too long. The Senate should move quickly to strengthen and pass ACES.

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¹ http://docs.nrdc.org/globalWarming/files/glo_09062504a.pdf

² See <http://switchboard.nrdc.org/blogs/paltman/media/ACES%20white%20paper1.pdf>.

³ “Obama Clean Car Standards Deliver Massive Oil Savings,” Union of Concerned Scientists, May 19, 2009. Available online at http://www.ucsusa.org/news/press_release/obama-clean-car-standards-2041.html.

⁴ Robert Stavins, “The Wonderful Politics of Cap-and-Trade: A Closer Look at Waxman-Markey,” Harvard University, May 2009. Available online at <http://belfercenter.ksg.harvard.edu/analysis/stavins/?p=108>.