



**TESTIMONY OF SEATTLE MAYOR GREG NICKELS
BEFORE THE HOUSE SELECT COMMITTEE ON ENERGY INDEPENDENCE
AND GLOBAL WARMING
NOVEMBER 2, 2007 HEARING
BRIGHT LIGHTS OF THE CITIES:
PATHWAYS TO A CLEAN ENERGY FUTURE**

Introduction

Chairman Markey, Ranking Member Sensenbrenner, Congressman Inslee and members of the Committee, welcome to my beautiful city, Seattle. I am pleased that you all took the time out of your schedule to fly across the country to hold this hearing. I hope you are as excited as I am to hear from America's Mayors about efforts they are making to increase energy efficiency, use renewable energy, and to reduce greenhouse gas emissions. This has been a very exciting two-day USCM Climate Protection Summit and having this hearing is the perfect ending to this extraordinary event.

During the summit, we heard from former President Bill Clinton who discussed the work of the Clinton Climate Initiative and announced a purchasing consortium that cities can participate in, allowing them to buy energy efficient products at low prices.

We heard from former Vice President Al Gore, winner of the 2008 Nobel Peace Prize, who discussed the work of the Alliance for Climate Protection and took questions from mayors.

We heard from Jerome Ringo of the Apollo Alliance and Van Jones of the Ella Baker Center for Human Rights, who talked about the economic possibility of the green revolution through the green jobs movement.

We heard from David Suzuki, noted Canadian environmentalist, who has been at the forefront of the environmental movement for the past 30 years.

And, most importantly, we heard from one another and the great things happening in our communities.

US Mayors Climate Protection Agreement

What this summit shows is that there is real energy in America's communities to address our Nation's energy future. 691 mayors across the country have signed on to the U.S.

Mayors Climate Protection Agreement¹ that I initiated, along with eight other mayors, just over two and a half years ago. These mayors represent over xx million people – a fifth of the US population – in all 50 states, plus the District of Columbia. They are Democrats, Republicans, and Independents. They are leaders of some of our biggest cities and smallest towns – from Kansas City, Missouri and Waukesha, Wisconsin to Huron, South Dakota and Tulsa, Oklahoma.

Like most economic and environmental issues, climate disruption does not follow geographic or political boundaries. Its impacts affect us all; however, the opportunities that global warming solutions present are open to all. That's why the U.S. Mayors Climate Agreement has resonated across the country, regardless of where cities are on the map, and where mayors sit on the political spectrum. That's why Republican mayors from cities such as San Diego, CA; Bellevue, NE; and Arlington, TX have joined Democratic mayors in this effort.

In signing the Agreement, these 691 mayors² are pledging to take local action to significantly reduce greenhouse gas emissions in their own communities. Cities across our nation are pledging support for bipartisan greenhouse gas reduction legislation that includes 1) clear timetables and emissions limits and 2) a flexible, market-based system of tradable allowances among emitting industries.

Why are a growing number of mayors and communities making global warming a local priority? There are three key reasons.

First, we're increasingly concerned about local impacts, not only on our urban environments, but on our economies and overall quality-of-life. We are the first responders to emergencies and we will feel the most immediate effects of rising seas, more fires, more unpredictable weather patterns. In Washington State, we are already beginning to see some of the impacts of global climate disruption in the Cascade Mountains, where changing snow melts and shrinking glaciers threaten our major source of water and electricity.

Second, we're excited about the economic opportunities presented by this challenge to make our cities more climate-friendly – opportunities for our families and businesses to save money through increased efficiencies, and opportunities for our companies to create jobs and revenues by inventing and producing cleaner energy sources and technologies. In the Seattle area, for example, green building and biodiesel production already are emerging as strong and growing sectors of our economy.

Third, we feel a strong sense of responsibility. A large percentage of the world's energy – something on the order of 75% -- is consumed in or by the world's cities. So we can't solve global warming without making our cities significantly more energy-efficient and

¹ See Attachment A: US Mayors Climate Protection Agreement. The resolution can also be found at: http://www.usmayors.org/uscm/resolutions/73rd_conference/env_04.asp

² See Attachment B: Map of the Participating Cities. The map is updated at: <http://usmayors.org/climateprotection/ClimateChange.asp>

less dependent on fossil fuels. Cities are on the critical pathway to a global solution. And American cities, in particular – among the wealthiest on Earth – have a responsibility to lead the way.

Seattle's Experience

That's why in February of 2005 – a year in which we were nearly “snowless in Seattle” – I challenged my own community to meet or beat the climate pollution-cutting goal of the Kyoto Protocol, and invited my fellow mayors across the country to do the same. In the longer term, I believe much deeper cuts are necessary. But I wanted to challenge the government and the community to make significant cuts in the short-term, on my watch as mayor: seven percent reductions from 1990 levels by 2012.

By that time, we already had reduced our city government emissions by about 60 percent from 1990 levels, thanks in large part to the efforts of our publicly owned utility – Seattle City Light – to make itself the nation's first “climate-neutral” utility. It has achieved this through conservation, using renewable energy resources and investing in offset projects that lower our city's carbon footprint, encourage new business opportunities and improve local air quality.

City Light has taken a host of actions to reduce its carbon footprint. In 2002, it became one of the first utilities in the region to invest in wind power, using it to replace fossil generation. Today, the rest of the region is following our lead with more than 1500 megawatts of new wind capacity and about 4500 megawatts in development.

Seattle City Light also spends \$20 million per year and has spent \$340 million since 1990 on energy conservation. Seattle actually spends more dollars per customer on conservation than any **state** in the US. The result of this conservation investment is 5 million tons of avoided CO2 emissions from conservation since 1990, while saving customers \$63 million each year. Our region is a conservation leader as well. Utilities avoided building 3100 megawatts of new power through aggressive conservation. Had the region built power plants rather than conserved, emission would be double what they are today.

City Light worked with the Port of Seattle and the cruise ship industry to connect ships to shore power while in port rather than burn diesel and is working to expand this effort. We have launched a biodiesel program that pays for the use of this cleaner fuel in local buses, Washington State ferries and city trucks.

Seattle is also a pioneer in the adoption of Green Building standards. In 2000, Seattle became the first city in the US to formally adopt a LEED-based sustainable building policy. The US Green Building Council now cites 90 local governments as having adopted LEED. The City of Seattle leads the nation in local government ownership of LEED certified buildings owning ten LEED certified buildings (5 Gold; 3 Silver; 2 Certified; one project is located outside City limits); 4 projects pending LEED certification, 3 under construction, 9 in design and 10 in planning.

This early investment in the city in green building technology has stimulated a stronger, private green building market in the city. The private sector quickly recognized the value of building green, with projects such as Touchstone's spec Life Science building at 9th & Stewart, and Vulcan's Bioscience Research project at 307 Westlake and its mixed-use building, Alley 24. Seattle boasts the highest concentration of LEED Accredited Professionals in the nation, including over 160 City staff and nationally recognized experts in government policy development, consulting, design and development.

We also have a comprehensive green fleet initiative at the city. By the end of 2005, fuel use in the city fleet was down from 7.6 percent compared 1999. The city decreased its petroleum fuel use during this period by 12 percent. The average percentage of clean green compact vehicles purchased for the city was 78 percent. We are also taking steps to reduce idling, continue reducing petroleum fuel use, and increase the number of clean and green vehicle in our fleet.

And just last week (October 24), the City of Seattle, the Port of Seattle, King County, and the Puget Sound Clean Air Agency with funding and technical assistance from the US Department of Energy Idaho National Laboratory announced that we will be converting thirteen existing Priuses to plug-in hybrids. As a part of this announcement, the agencies agree to track usage in an urban setting, thereby providing real world data on how these plug-in vehicles perform under real driving experiences.

But despite our success as a city government, we saw that community-wide emissions were rising dramatically, driven in large part by motor vehicle emissions. So we turned our attention to shrinking the community's "carbon footprint." We established a Green Ribbon Commission on Climate Protection consisting of about 20 of our community's most-respected leaders and experts. It was co-chaired by Denis Hayes, the president of the Bullitt Foundation and founder of Earth Day, and Orrin Smith, the now-retired CEO of the Starbucks Coffee Company. And it includes the president of the board of REI, Inc., the three-time US EPA Administrator, Bill Ruckelshaus, and many other leaders from the business, government, and nonprofit sectors.

The commission spent a year poring over data and reviewing best practices from around the world. Their work culminated in the Seattle Climate Action Plan, which I released in September 2006.³ This is a blueprint for significantly reducing greenhouse gas emissions in our community. It features a variety of strategies for reducing car-dependence in Seattle, increasing fuel efficiency and the use of biofuels, and improving energy efficiency and the use of renewable energy sources.

We've also created the Seattle Climate Partnership, a voluntary pact among Seattle-area employers to assess and reduce their own carbon footprints, and to come together to help meet our community-wide goals. Thirty employers have joined the Partnership already, including Starbucks, REI, the Port of Seattle, the University of Washington, GroupHealth

³ See Attachment C: *Seattle, a Climate of Change: Meeting the Kyoto Challenge-Climate Action Plan Executive Summary*, September 2006. The Executive Summary and the full report can also be found at: <http://www.seattle.gov/climate/>.

Cooperative, the Fred Hutchinson Cancer Research Center and the Greater Seattle Chamber of Commerce.

And just this September, I was joined by community and business leaders as we launched Seattle Climate Action Now (www.seattlecan.org), a grassroots campaign to encourage everyone in Seattle to reduce global warming pollution at home, on the road and in their neighborhoods.

Sponsored by the city of Seattle with the support of community groups, nonprofit organizations and businesses, Seattle Climate Action Now will help people make smart choices to protect the city and the planet from the threat of climate change. Partners include high-profile companies, such as Starbucks, Nordstrom and Bartell Drugs, and community groups, such as Sustainable Ballard and the Cascade Bicycle Club. Using online resources and community events, the public awareness campaign will connect people across the street and across the city to make a difference for the future of our environment.

In addition to the activities we are undertaking in Seattle, the State of Washington is also taking action on climate. In February 2007, Governor Gregoire issued an executive order that sets emissions reduction goals – goals ultimately adopted by the state legislature. Through the work of the Gregoire Administration, the state is actively working on recommendations to achieve the emissions reduction goals by harnessing input from over 200 individuals representing nearly as many stakeholders from local governments, faith, community and environmental organizations, and businesses. The recommendations are due in February 2008. My administration has actively supported State action and we are key participants in the stakeholder process.

In March of this year, Governor Gregoire, along with four other western governors, kicked off a regional collaboration to set a regional goal and design a market-based path to get there. With the goal set, the recommendations for creating the multi-sector market-based mechanisms needed to reach them are expected in August, 2008. What started with five states, the Western Regional Climate Action Initiative now includes an additional state and two Canadian provinces with many other states and Mexican and Canadian governments participating as “observers.”

Seattle and Washington State does all this because our citizens are demanding it. They expect leadership from their elected officials, their business leaders and their public power agencies to step up to this tremendous challenge we all face.

However, while voluntary actions by cities or state mandates are important, what we really need is federal leadership. Not just because it is the most powerful way to confront this problem but also because it will allow us to achieve the most reductions for the least costs to our economy.

Energy Bill

What makes the energy bill currently pending before Congress so exciting is the many tools that it includes for local governments. I am pleased that the U.S. Conference of Mayors has been the leading local government organization on the issue of climate change and the USCM has been in the forefront of supporting key provision of the energy bill. As my friends Mayor Palmer and Diaz have already mentioned, the energy bill includes two significant provisions: The Energy Efficiency Block Grant and the “Green Jobs” Act.

The U.S. Conference of Mayors led by Mayor Douglas Palmer of Trenton, New Jersey, released its *10-Point Plan, for Strong Cities, Strong Families, for a Strong America* at our 75th Winter Meeting.⁴ In our 10-Point Plan, the nation’s mayors have made action on federal climate legislation our lead issue, including the creation of an Energy and Environmental Block Grant initiative, modeled after the very successful Community Development Block Grant program. I would like to echo the comments of Mayor Diaz

The Green Jobs Act, sponsored by Congresswoman Solis, is also an important part of this legislation. This bill will help to train American workers for jobs in renewable energy and energy efficiency industries. Mayor Palmer spoke very eloquently about this issue earlier outlining the US Conference of Mayors support for this provision of the energy bill.

During the June Annual Meeting of the USCM, Mayors unanimously passed the US Mayors Federal Climate Policy Framework.⁵ This framework outlined several key policies that the federal government should pursue to reduce greenhouse gases. Some of these policies include:

- developing alternative fuels and vehicles, such as bio-fuels and plug-in hybrids
- significantly increasing average fuel efficiency of the entire U.S. fleet in the near-term
- funding and implementing widespread efficiency and conservation efforts and making resources available to municipalities to carry out local conservation programs
- aggressively promoting energy-efficient technologies and significantly increase the energy efficiency of the built environments
- funding research that will identify in greater detail the most likely local effects of climate change

The pending energy bill includes many provisions that directly address what was called for in the framework. I would like to highlight a few of those provisions below.

The Renewable Energy and Energy Conservation Tax Package

The House bill includes an energy tax package that has many important long-term tax incentives for renewable energy development and increasing investment in energy

⁴ A copy of *10-Point Plan, for Strong Cities, Strong Families, for a Strong America* can be found at: http://usmayors.org/uscm/news/press_releases/documents/10-PointPlan.pdf

⁵ See Attachment D: Endorsing the US Mayors Federal Climate Policy Framework. The Resolution can also be found at: http://usmayors.org/uscm/resolutions/75th_conference/environment_05.asp

efficiency. In particular, we are supportive of the reauthorization of the Clean Renewable Energy Bond program, sponsored by Congressman McDermott of Seattle. This bill also creates new tax credit bonds that will fund innovative projects for energy conservation and efficiency, including providing low interest loans and grants for increased energy efficiency in homes and properties. The inclusion of a tax package in the final conference report is critical to the ensuring that local governments and others have access to tax incentives that will lead to increased investment in renewable energy and energy efficiency.

Appliance Standards

Both the House and Senate bills include six energy efficiency standards and measures to enhance the Energy Department's ability to create standards which maximize cost-effective energy savings. Appliance use is a key component of home energy consumption. New and enhanced energy and water appliance efficiency standards will support energy efficiency goals and emissions reduction efforts established in the Seattle Climate Action Plan.

Global Change Research and Data Management

The House bill also authorizes the US Global Climate Research program to provide information to help us understand the potential impacts of climate change on both regional and global scales and to provide information that will allow federal, state, and local governments to adapt and respond to the effects of climate change. This information is critically important to local governments that operate water systems so that we can plan for future water availability and use. The ongoing drought in the Southeast only heightens the importance of these provisions. In addition, the Pacific Northwest hydropower system is particularly vulnerable to climate change and this title will encourage research around these important systems.

Federal Climate Policy

But the energy bill is only the first step. Congress needs to move quickly to adopt meaningful carbon policies – ideally through a broad-based cap and trading program to reduce this country's greenhouse gas emissions. This will harness market forces and allow the powerful engine of our economy to find the most innovative and cost-effective solutions to this global challenge.

I'd like to thank Congressman Inslee for taking the lead and introducing his New Apollo Energy Act. His bill includes energy- efficiency and fuel-efficiency standards; a federal standard for renewable energy in the electricity mix; an American cap and trade program to limit greenhouse-gas emissions; increased funding for research and development of green technologies; and, tax incentives for consumers, industries and utilities, among others. I applaud Congressman Inslee's longstanding leadership on energy independence and climate change.

The framework I mentioned earlier also endorses aggressive greenhouse gas reduction targets of 80 percent from 1990 levels by 2050 as the necessary and appropriate goal for our nation. The framework also supports a national program that:

- Covers multiple sectors of the economy
- Includes flexibility mechanisms to foster creative approaches, allow for least-cost means of achieving the cap, and guards against spikes in the price of carbon
- Recognizes that different regions of the country will be affected differently from the design of a cap and trade system
- Rewards energy efficiency, renewable energy, innovative energy technologies and early actors

For instance, the choice of design for any cap and trade system will have a significant impact on the Pacific Northwest. The Pacific Northwest, which includes Washington, Oregon and Idaho, is overwhelmingly dependent upon hydropower, and Seattle City light is 90 percent hydro dependent. No other power source is more vulnerable to the consequences of climate change than hydropower and the predicted disruption are among the greatest planning risks we face in ensuring that we can keep the lights on. A cap and trade system focused on historic emissions will mean that most utilities in the Pacific Northwest will be left out of the system in the electrical sector. The system should recognize the leadership from regions, like the Northwest that have invested in hydropower, new renewable power and aggressive energy conservation.

Congress should also recognize that there are significant economic costs associated with inaction. These costs may be harder to measure, but could easily exceed any costs associated with imposing limits on greenhouse gas emissions.

We believe that now is the time for federal action on energy independence and climate change.

Mayors from across the United States look forward to working with you on this challenge. Thank you again for coming to Seattle, and for the opportunity to testify before your committee.