



October 1, 2009

Office of Senator Klobuchar  
302 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Klobuchar,

As a member of the Environment and Public Works Committee, you will play a key role in crafting a strong Senate climate bill. We are writing with concerns and hope for the Clean Energy Jobs and American Power Act and its impact on and benefits for low- and moderate-income Minnesotans. The consideration of climate legislation by the Senate is a crucial step in addressing climate change, a matter that goes beyond just the environment. Climate change is also a justice issue with race and class implications both internationally as well as here in Minnesota.

If climate change is unaddressed, Minnesota will begin to experience the affects in the next few decades as heat waves increase, air quality deteriorates and dangerous storms and floods multiply<sup>1</sup>; All of these outcomes will disproportionately impact low-income populations and people of color who will experience significant increases in heat-related mortalities, asthma and cardiovascular deaths, and long-term devastation from extreme weather.<sup>2</sup>

With well-designed policies in place, we believe that the important long-term goals of addressing global warming and building the clean energy economy can be achieved with benefits rather than harm to low- and moderate-income families (i.e., those with incomes in the lowest two quintiles).

The cap and trade system that the Senate is considering will reduce emissions of greenhouse gasses while encouraging energy conservation and the long-term development of alternative energy sources, but doing so will likely also increase the prices of energy and a broad range of consumer goods. The relative impact of these increased prices would be greatest on low- and moderate-income consumers, who spend a bigger share of their income on necessities like energy than wealthier households do. Moreover, low-income families have less ability to respond to higher energy prices by conserving energy because they may not own their homes or have the capital to invest in more energy efficient appliances and vehicles. Nationally, the Congressional Budget Office (CBO) has estimated that, without consumer relief, low-income households would pay \$425 more per year for goods and services as a result of climate legislation. That is more than three times the cost burden wealthy households will experience as a percentage of income.

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<sup>1</sup> Union of Concerned Scientists, *Confronting Climate Change in the U.S. Midwest*, July 2009.

<sup>2</sup> Morello-Frosch, Paster, Sadd and Shonkoff, *The Climate Gap*, May 2009.

**Therefore, in addition to greenhouse gas reductions, there are several elements of the final House bill that we strongly support for inclusion in the Senate:**

- **Consumer relief for low-income Minnesotans.** It is critical to address climate change while ensuring that low-income Minnesotans do not face increased hardship and are not pushed further into poverty. The House bill provides relief to the lowest-income households through multiple, existing mechanisms. Maintain provisions for full consumer relief to the lowest-income 20 percent of the population in the Senate version.
- **Economic opportunities through family-supporting green jobs.** Smart investments in weatherization, energy efficiency, and clean energy programs will create new economic opportunities for Minnesotans. The transition to a new energy economy must provide opportunities for all members of the domestic workforce, including disadvantaged populations, through public investments in education, training, skills and job creation programs. Clean energy legislation should include enforcement of applicable prevailing wage provisions, and it should support the development of domestic clean energy manufacturing.

**There are several elements of the House bill particular to low- and moderate-income households that can be improved in the Senate:**

- **Consumer relief is needed for moderate-income Minnesotans.** In the House bill, relief phases out fully at just over 150 percent of the poverty line, leaving many moderate-income households without needed direct relief. In order to ensure those with a fixed income, seniors, and working families are not pushed into energy poverty, extend relief to all moderate-income families. This can be accomplished by redirecting some of the allowances that are currently allocated to utilities to income-based, direct relief through existing mechanisms, improving both efficiency and effectiveness.
- **Additional funds should be allocated to the existing home energy affordability programs.** Given the high heating costs in our state, some Minnesota families will face a higher than average reduction in purchasing power if energy costs increase. Allocate additional funds to income-based affordability programs that provide assistance to low-income consumers who face utility shut-offs or other hardships.

The Environment and Public Works Committee has a historic opportunity to address the serious problem of climate change. We hope you will support the strongest possible legislation to address climate change while assisting in efforts to extend relief and strengthen economic opportunities for low- and moderate-income Minnesotans.

Sincerely,

Alliance for Sustainability

Arc Greater Twin Cities

Burnsville High Environmental Club

Communication Workers of America Minnesota State Council

Emerge Community Development

Energy Scapes, Inc.

Environmental Justice Advocates of Minnesota

Fresh Energy

Growth and Justice

ISALAH

Jewish Community Relations Council of Minnesota and the Dakotas

League of Women Voters-Minnesota

Mankato Area Environmentalists

Minneapolis Urban League

Minnesota AFL-CIO

Minnesota Budget Project

Minnesota Community Action Partnership

Minnesota Council of Nonprofits

Northwestern Mental Health Center

Project for Pride in Living

Sierra Club North Star Chapter

Sleepy Eye Area Historical Society

Will Steger Foundation

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