



December 15, 2009

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

Dear Senator Klobuchar,

In October we wrote to you regarding some concerns and hopes for strong and fair climate legislation. We are following up to thank you for your leadership in the Environment and Public Works (EPW) Committee regarding the Clean Energy Jobs and American Power Act, but also to express some concerns about currently under-funded issues of importance to low-income Minnesotans. As you can see from our expanding list of signatures, a strong and growing number of organizations across the nonprofit, faith and labor sectors in Minnesota are working together to address concerns about the justice implications within environmental policies.

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 set aside 15 percent of total allowance value for targeted low-income relief for the lowest-income 20 percent of the population. When combined with other provisions for relief to all income levels, this targeted relief was enough to fully offset the increased energy-related costs that low-income households will face, on average.**

In contrast, the bill reported out of the EPW Committee reserves for low-income relief 15 percent of the value that remains after a significant portion of the allowances are set aside to ensure deficit neutrality and for other uses. As a result, the **targeted relief at present in the Clean Energy Jobs and American Power Act only amounts to 12.6 percent of total allowances, or one-sixth less than the House bill.** While we appreciate the need for the Senate climate bill to be deficit neutral, we believe that can be addressed without reducing protection for vulnerable, low-income households.

We remain committed to shaping policies to address global warming and build the clean energy economy while creating benefits rather than harm to low- and moderate-income families. As mentioned in our previous letter, **there are several additional elements that we strongly support as legislation moves forward:**

- **Extended consumer relief 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 further into 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. Moderate income

relief should not come at the expense of low-income families; extending relief further up the income scale will require significant additional resources to be dedicated to direct consumer relief.

- **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.
- **Additional relief through 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.*

We urge you to work with Senator Kerry and the Senate Leadership on the bipartisan negotiations as well as Chairman Baucus of the Senate Finance Committee to provide a full 15 percent of total allowances for low-income consumer relief and to support the strongest possible legislation to address climate change while assisting in efforts to strengthen economic opportunities for low- and moderate-income Minnesotans.

Sincerely,

Alliance for Sustainability

Arc Greater Twin Cities

Churches United in Ministry

Common Ground Construction

Community Action Duluth

Energy Scapes, Inc.

Growth and Justice

Jewish Community Relations Council of Minnesota and the Dakotas

League of Women Voters

Minnesota Budget Project

Minnesota Community Action Partnership

Minnesota Council of Nonprofits

Northwestern Mental Health Center

Project for Pride in Living

Lead Contact:

Minnesota Budget Project

Leah Gardner

651-757-3063

leah@mncn.org