



# Senate Environmental Resources and Energy Committee

Senator Mary Jo White  
Chairman

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September 2, 2008

The Honorable Arlen Specter  
United States Senator  
711 Hart Senate Office Building  
Washington, DC 20510

The Honorable Robert P. Casey, Jr.  
United States Senator  
383 Russell Senate Office Building  
Washington, DC 20510

Dear Senator Specter & Senator Casey:

As the United States Senate considers legislation to address climate change and a national energy policy, I am writing to urge your careful deliberation on the potential impact any federal legislation will have on the nation and the Commonwealth's environment, economy and business climate.

As chairman of the Senate Environmental Resources and Energy Committee, I have worked to support policies at the state level which advance our commitment and obligation to protect the environment, be good stewards of our natural resources and help advance the economic opportunities available to our citizens. These obligations, in my view, are not incompatible. Working in a bi-partisan manner, the state legislature has enacted several worthy initiatives in recent years that are paying dividends both in a cleaner environment and increased economic opportunities.

How the federal government deals with climate change will have a significant impact on all Pennsylvanians. First and foremost, it is important that whatever strategy Congress settles on will actually have a meaningful impact on addressing the issue of climate change. Our nation should not impose requirements on its citizens and employers if those benefits are negated by the actions – or inactions – of other countries.

Closer to home, I am concerned about the potential impact of federal policies on electric consumers. This is particularly true given the significant role that coal plays in our generation portfolio. Pennsylvania is currently a net exporter of electricity, and derives over 50% of its generating capacity from coal. Coal mining is a significant economic contributor to the Commonwealth; the Pennsylvania legislature recently passed the first comprehensive mine safety law re-write in nearly 50 years to strengthen and ensure the long-term vitality of this important industry. We are exploring opportunities to increase the clean-up and use of waste coal, as well as exploring the feasibility of cutting-edge technologies such as carbon capture and sequestration.

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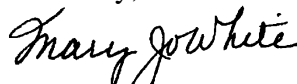
The federal government can also play a significant role in addressing our need for new generation by encouraging new nuclear power as well. Pennsylvania generates approximately 25% of its electricity from nuclear facilities. Last year, the state legislature passed legislation to provide new tools and financial resources necessary to ensure the safe and reliable operation of our five nuclear power plants. Yet neither Pennsylvania nor the nation has seen any serious effort to construct new nuclear facilities in decades. Instead, we export this technology and materials overseas, while neglecting numerous opportunities right here at home. Congress can help to remove many of the bureaucratic obstacles that have contributed to this neglect.

As you may know, in 1996 Pennsylvania de-regulated its electric industry. As a result, most utilities sold off their generation facilities and entered into agreements whereby generation rates would be “capped” for a period of 10-12 years. These agreement, imposed across Pennsylvania based upon electric distribution company service territories, are beginning to expire and will come off entirely by 2011. As a result, residential, commercial and industrial consumers are facing rate hikes that in some cases may exceed 50% or more. The state legislature is currently considering several bills aimed at mitigating this increase, and raising awareness among consumers of all classes.

There is a tendency from some policymakers to believe that so-called “green” power sources, such as solar and wind, are the solution to the climate change issue. While green power certainly has a role to play – as evidenced by the state legislature’s enactment of an aggressive alternative energy portfolio standard law in 2004 – we must not lose sight of the important role Pennsylvania’s natural resources can and should play in any federal program that addresses climate change and energy. The Commonwealth is blessed with coal and natural gas. Coal remains the most abundant, inexpensive fuel source there is, while development of natural gas reserves (such as the Marcellus Shale formation in northcentral and northeastern Pennsylvania) can bring abundant, clean burning energy to millions of Americans. I am convinced that the United States can act responsibly on climate change while at the same time creating incentives for the use of its indigenous energy resources.

I urge you to keep these concerns in mind as Congress continues its deliberations on the issues of climate change and energy. Thank you very much for your work on these important issues.

Sincerely,



Mary Jo White, Chairman  
Senate Environmental Resources  
& Energy Committee