

My Turn: State has a stake in energy bill

Published: Sunday, December 9, 2007

By Jeb Spaulding

Vermonters should be keeping an interested eye on the debate now going on in Congress regarding passage of a national energy bill. Woven within the debate are issues this state has actively tackled for decades.

Congress must decide whether to pass a bill that will provide strong measures for expanding clean energy, reducing oil dependence and curbing global warming pollution. If a compromise measure can be passed, this country will benefit from a bill that is good for the public, good for the environment and good for business.

Vermont's economy and its future viability are inexorably linked to what is happening on the national scene. For example, Vermont already has actively tackled policy concerns regarding the impacts of coal-fired power plants in the Midwest on Vermont's air quality. As the quality of life in this state is threatened by energy policies, or the lack of such policies in another region of the country, Vermont and other states are forced to take action.

Another example is seen in Vermont's efforts to develop tougher auto emission standards. In September, a federal judge upheld Vermont's right to put in place standards that are stricter than the federal regulations. Without a national energy policy addressing this situation, Vermont and other states must pass legislation and litigate cases to force action to reduce CO2 outputs that significantly contribute to climate change. While Vermont acts as a leader in this effort, the lack of a national policy means our neighboring states can continue practices that ultimately impact us all.

The sweeping global nature of climate change means that climate risk has become embedded, to a greater or lesser extent, in every business and investment portfolio. A national energy bill that concretely addresses ways to mitigate global warming pollution and this country's dependence on foreign oil, can help stabilize climate change impacts to local, regional and national businesses. For example, NASA's Goddard Institute for Space Studies and the Intergovernmental Panel on Climate Change have identified far-reaching physical risks from climate change, such as pervasive drought and rising sea levels, that could cause widespread economic disruption.

As the State Treasurer's Office makes decisions regarding investing millions of dollars, we increasingly encourage companies to determine whether they are adequately planning for the risks and opportunities posed by climate change. The national energy bill will encourage companies to do more of such planning. Companies prepared for such risk should better weather such changes and remain more financially viable.

The energy bill also will help create new business opportunities as companies seek to change to accommodate carbon-reducing regulations. This is already seen in Europe's burgeoning \$30-billion-a-year carbon emissions trading market and the \$100 billion in renewable energy investments worldwide in 2006 alone. Closer to home, Vermont is actively investigating the promise of carbon offsets and whether there are new business opportunities for the state in this arena. Climate change debate among Vermont's legislators this past session also highlighted the future business promise of developing cleaner energy resources and reducing our dependence on oil.

While Vermont joins with other states such as California and New York to take important steps to combat climate change, a strong, clear federal policy is necessary if we are to make real progress in retooling the way this country addresses the threat of global climate change. Congress has a chance to take an important first and long-overdue step toward establishing the United States as a good global environmental citizen.

We in Vermont are watching, and hope Congress will join with Vermont's delegation and display the fortitude to pass a bill that has a chance to make a real difference.

Jeb Spaulding of Montpelier is Vermont state treasurer.