Testimony of Nancy H. Sutley
Council on Environmental Quality
Before the
Committee on Environment and Public Works
Hearing on the President's Climate Action Plan
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Chairman Boxer, Ranking Member Vitter, and Members of the Committee, thank you for the opportunity to discuss the President's Climate Action Plan.

The President believes that we have a moral obligation to our children to do what we can to reduce carbon pollution for the sake of their future. That is why four years ago, he made a commitment to reduce United States greenhouse gas emissions in the range of 17 percent below 2005 levels by 2020. We are making significant progress towards meeting that goal. Our emissions of carbon pollution have fallen significantly, even as our economy has continued to grow.

The Climate Action Plan builds on the many steps that this Administration has taken to cut carbon pollution and strengthen our economy by supporting and creating domestic clean energy jobs.

The Plan has three key pillars: cutting carbon pollution at home, preparing the Nation for the impacts of climate change we can't avoid, and leading international efforts to address global climate change.

As you know, the Council on Environmental Quality's (CEQ) unique statutory mission is to play a coordinating role among Federal agencies under the National Environmental Policy Act (NEPA), as well as oversee implementation of the Administration's broader environmental policy goals. At CEQ, we have supported the Federal Agencies in developing cross-cutting initiatives that have laid the groundwork for many aspects of the Climate Action Plan. Now, we are helping to oversee the plan's implementation and ensure its success.

I know my colleagues Gina McCarthy, Dan Ashe, and Dan Tangherlini will share their respective agencies work in implementing the Plan. I will focus my testimony on our broader Administration efforts to implement the Plan.

Cutting Carbon Pollution

A key part of the Plan is to reduce carbon pollution in the U.S, and the Administration is already making significant progress in this area.

In the last five years, the United States more than doubled renewable energy generation from wind, solar and geothermal sources. In fact, renewable energy is quickly growing as a significant source of electric power generation in the Nation. In 2012, wind energy was the largest source of new capacity, with nearly 8,000 MW installed. To continue this progress, we've set a goal to double electricity production from wind, solar and geothermal sources again by 2020.

To help meet this goal, the Department of the Interior (DOI) is working to permit an additional 10 GW of renewable energy projects on public lands by 2020, enough to power 6 million homes. Since June of last year, DOI has approved enough renewable energy projects to power more than 200,000 homes. DOI has also held the first competitive offshore wind lease sales in Rhode Island, Virginia and Massachusetts.

We're also focusing our efforts on the demand side. Energy efficiency is one of the clearest and most cost-effective opportunities to save families money, make our businesses more competitive, and reduce carbon pollution.

We have established the toughest new fuel economy standards in U.S. history, which will approximately double the efficiency of our cars and trucks by the middle of the next decade. These standards will save the average driver more than $8,000 dollars at the gas pump over the lifetime of a model year 2025 vehicle, helping the United States to once again take the lead in developing, building and selling the world's most advanced cars. The Administration has also established first-ever fuel efficiency and greenhouse gas standards for heavy-duty trucks, buses and vans. The Plan commits the Administration to building on this progress with a second round of standards for heavy duty trucks, in order to reduce pollution, cut oil consumption, and save money for truck operators.

In addition, the Plan calls for setting greenhouse gas emissions (GHG) standards for new and existing power plants and Administrator McCarthy will discuss EPA's efforts to implement the Plan in her testimony.

The Plan also sets a goal to reduce carbon pollution through efficiency standards for appliances and Federal buildings by at least 3 billion metric tons

cumulatively by 2030. That's the equivalent of reducing more than half of the carbon pollution in one year from the U.S. energy sector.

Since August, the Department of Energy (DOE) has issued five proposed energy conservation standards for appliances and equipment and finalized energy conservation standards for an additional product category. Savings from these rules if finalized as proposed, combined with final rules already issued under this Administration, would surpass 70 percent of the President's goal for emissions reductions from energy conservation standards. When combined with the other standards issued by this Administration, they will help cut consumers' electricity bills by hundreds of billions of dollars.

The Plan also expands the Better Buildings Challenge, which is focused on cutting energy use in commercial, institutional, and industrial buildings. Under the Challenge expansion announced last month, 50 new multifamily housing partners – representing roughly 200,000 units and over 190 million square feet – have committed to cutting their energy use by 20 percent in ten years.

At the U.S. Department of Agriculture (USDA), Secretary Tom Vilsack recently announced $250 million in new lending opportunities to help rural homeowners and businesses invest in affordable, cost-effective energy efficiency improvements and renewable energy systems through USDA's Energy Efficiency and Loan Conservation program.

As we work to support these new opportunities in the private sector, we're also focused on making sure the Federal government is leading by example. The Federal government is the single largest consumer of energy in the United States. Since 2008, Federal agencies have reduced their greenhouse gas emissions by approximately15 percent. Just over a month ago, the President directed agencies to redouble those efforts by consuming 20 percent of their electricity from renewable sources by 2020, more than doubling their current goal. The General Services Administration plays an important role in these efforts.

Preparing for the Impacts of Climate Change

Even as we make efforts to cut carbon pollution, we also need to take action to address current and anticipated impacts of climate change that cannot be avoided.

It is difficult to link a particular weather event to climate change, but we do know that as Earth continues to warm, we can expect more frequent extreme weather events, including large storms, severe droughts, and heat waves. These events can be destructive, contributing to conditions that result in catastrophic wildfires, storm surges, and floods, which in turn threaten the health and well-being of our people and our local, regional, and national economies.

In 2012, according to the National Oceanic and Atmospheric Administration, there were 11 weather and climate disaster events in the United States with losses exceeding $1 billion each. These 11 events cumulatively caused over $110 billion in damages and 377deaths.[1] Impacts of related changes in precipitation and temperature patterns include changes in the distribution of plant diseases and pests that threaten forest and crop production and changes in the distribution and migration of commercially important fisheries. It is simply irresponsible to ignore the toll that these and other climate change effects are taking on our country.

Last summer, the Administration released a Hurricane Sandy Rebuilding Strategy to help the Sandy-affected region rebuild and increase its resilience in order to reduce risks associated with sea-level rise and storm surges to vulnerable coastal communities. The strategy serves as a model for communities across the Nation facing greater risks from more frequent, extreme weather and other impacts of climate change. This means building for the next storm, not the last storm, and planning for expected future sea levels, storm surges and extreme heat and precipitation, which pose new risks to the Nation. As a part of these efforts, the Department of Housing and Urban Development and its partner agencies are investing in infrastructure that is safer and more resilient, and the Federal Transit Administration recently announced $3 billion in grants to similarly strengthen public transit systems affected by the storm.

In order to help prepare the Nation for the impacts of climate change, the President recently signed Executive Order 13653 directing agencies to help American communities strengthen their resilience to extreme weather and prepare for other impacts. Specifically, agencies are directed to modernize Federal programs to better support local preparedness for climate change impacts, manage our natural lands to improve resilience, and develop information, data, and tools to help communities and other decision makers By way of example, resource agencies are looking at how to make our lands and waters more resilient to climate

[1] http://www.ncdc.noaa.gov/billions/overview

impacts as well as how to use natural infrastructure, such as wetlands, vegetated sand dunes, and healthy forests, to bolster our communities in the face of extreme weather and other impacts. These efforts build on important steps we have already taken. For example, in early 2013, to help advance these types of efforts, the Administration along with States and Tribal governments completed the National Fish Wildlife and Plant Climate Adaptation Strategy to help safeguard the nation's valuable natural resources and the communities that depend on them.

The Executive Order also established a State, Local and Tribal Leaders Task Force on Climate Preparedness and Resilience, composed of 26 elected officials from across the country. The Task Force has already begun working to advise the Administration on how the Federal Government can remove barriers to climate change resilient investments; modernize Federal programs, grant and loans to better support local efforts; and develop the tools necessary to help communities prepare for climate change on the local level. As a co-chair of the Task Force, I believe these recommendations will be vital to ensuring the Federal government responds to the needs and priorities of communities when addressing the challenges of climate change.

Agencies are also analyzing the impacts of climate change on key sectors of our economy and developing strategies to address them. Last summer, the DOE released a report outlining the impacts of climate change on the energy sector, which included recognition of the damage Gulf Coast hurricanes are inflicting on offshore platforms, pipeline infrastructure, and refineries. On the Mississippi and Ohio rivers, shipping disruptions have occurred due to both high water floods and low-flow droughts. And in Nebraska, the Fort Calhoun nuclear plant had to curtail power production because of flooding problems. DOE has outlined strategies that could help address vulnerabilities like these in the future.

In November, we launched the National Drought Resilience Partnership, to help communities better prepare for increasing droughts to reduce impacts on families and businesses. The Partnership will make it easier to access Federal drought resources, such as monitoring, forecasts, outlooks, and early warnings, as well as longer-term drought resilience strategies in critical sectors.

Similar efforts to protect and strengthen economic sectors will focus on the public health, transportation, agriculture, and water resource sectors.

Finally, under this Administration, <u>all</u> agencies are examining how a changing climate will impact their missions. In February of 2013, Federal agencies

released their first-ever Climate Change Adaptation Plans, outlining strategies to reduce their vulnerability to the impacts of climate change, such as sea level rise and more severe weather patterns. For example, during a period of record rainfall in June of 2006, the Internal Revenue Service's headquarters building was flooded and sustained extensive damage to its infrastructure. Costs for repairs were in the tens of millions of dollars, and it was necessary to close the building until December 2006 to complete them. Agency adaptation plans now highlight actions to proactively plan to avoid these impacts.

Leading Internationally

The President understands that the effects of climate change will not be confined within the borders of any one country, and our response must be global. In addition to our efforts under the Plan to reduce domestic carbon pollution and help our Nation's communities prepare for the effects of climate change, we are committed to playing a leadership role that can support a strong international response to this challenge.

The Administration is working through multiple channels, such as the United Nations Framework Convention on Climate Change, as well as multi-lateral and bi-lateral initiatives focused on tackling the key drivers of greenhouse gas emissions. Our leadership can leverage more ambitious action by other countries – and the faster other nations reduce their emissions, the more moderate the long-term climate impacts will be on our own citizens, communities, and businesses. That's why American leadership on climate pays dividends back at home.

Closing

The impacts of climate change are being shouldered by communities, families and businesses across our country, and my testimony today highlights just a few of the many efforts taken by the Administration to address the threat of climate change, while building a foundation for continued economic growth. I am proud of the steps we've taken. For the sake of our economy and the legacy we leave for our children, it's vital that we address this problem head on, and I think the President's Plan does just that.

I look forward to taking your questions.