

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

May 13, 2009

Dear Senator Specter,

It is no secret that affordable energy is a driving factor in business and job growth. Some energy intensive industries attribute 50 percent or more of their operating expenditures to energy consumption alone. An abrupt disruption in the supply or cost of this energy could cause entire sectors to close their doors. For this reason, Pennsylvania businesses are anxiously monitoring the debate in Congress over renewable portfolio standards (RPS).

An RPS is a federally mandated policy requiring energy providers to secure a minimum percentage of their power from renewable sources such as wind and solar. The intention of an RPS – mitigating environmental damage and developing alternative sources of energy – is honorable (it should be pointed out that many companies are making great strides on their own to develop and use alternative energy sources), but there are other factors that must be weighed. Most obviously, what effect will this policy have on the economy? We are currently in the wake of an unprecedented economic downturn. The only constant trends are economic turbulence and increased unemployment, yet the adoption of an RPS will perpetuate both. It's clear that production at coal fire power plants will be artificially reduced to meet the requisite 20 percent+ proportion of renewable energy. Consequently, this will create a ripple effect in the state economy as mining, excavating, transportation and speculation jobs are lost.

Not only will residents of the Commonwealth be losing good jobs, there will be little new job creation to replace those lost through the implementation of RPS.

In addition, adoption of an RPS will lead to higher energy costs because government, not market forces, would determine which alternative forms of energy must be used, regardless of whether or not they are the most viable option for a particular business. Because of this inflexibility in the market, business investment will migrate to more profitable regions, current operations will battle to stay afloat and the individual consumer could see increases of at least 10 percent in their monthly bills.

Since its beginning, the United States has moved forward successfully by creating comprehensive strategies that consider all relevant factors. The same should be done now. An overreaching focus on the environment via passage of a federal RPS will create

abundant problems for this country. To succeed and compete in a 21<sup>st</sup> century global economy, we need all sources of energy. Additionally, we need to recognize that all forms of energy have their positives and negatives. These considerations should drive our nation's energy strategy.

At this crossroads, I urge you to look at the big picture and find a viable alternative to the proposed federal RPS.

Sincerely,

Gene Barr  
Vice President, Government and Public Affairs  
PA Chamber of Business and Industry

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

May 13, 2009

Dear Senator Casey,

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