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President Obama's Energy Policy—Building a “Green” Economy to Confront Climate Change

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Thank you for that very kind and generous introduction.

I'm very pleased to be here this morning to review some key aspects of the Obama Administration's new domestic energy and climate change policies. The election of President Obama just one year ago was a political watershed in our country's history. Consequently, the United States' energy policies and our approach to climate change negotiations have since shifted dramatically. As we approach the upcoming “summit” in Copenhagen, I thought it would be helpful to outline for you the approach of the United States. And, given renewed emphasis on the environment here in Greece, I believe it is a good time to share what we have in common. Particularly – how green economic measures can support and be infused into the overall economy and how we can work together.

In launching a bold series of initiatives to confront the financial crisis as they entered office, President Obama and his team sought to not only *restore* the prosperity of our country and citizens, but also to *reconfigure* the very foundations of our economy. The Obama Administration focused its energies on creating an *innovative* and “*green*” economy. The idea was to use our diverse and pioneering population to grow the economy with smart, new business ventures while working to preserve the environment. It is no small coincidence that President Obama chose this path because of his commitment to cutting greenhouse gases in the United States, contributing to global climate security.

As one of the first pieces of legislation, the Administration passed the American Recovery and Reinvestment Act, which specifically targets infrastructure development and enhancement. The Act calls for creating jobs and boosting economic growth through expanded investment in energy efficiency and renewable energy. \$16.8 billion will be invested in the U.S. Department of Energy’s Office of Energy Efficiency and Renewable Energy. This money will go to projects like weatherizing assistance and research into solar, wind and geothermal technologies. One of the specific initiatives is the weatherizing of 75 percent of federal buildings as well as more than one million private homes around the country.

Another important development has been in vehicle emissions standards. On September 15, the U.S. Department of Transportation and the Environmental Protection Agency established a national program to improve vehicle fuel economy and reduce greenhouse gases. The new standards ultimately will require an average fuel economy of 35.5 miles per gallon (or 15 kilometers per liter) in 2016 for all new cars and trucks. Because one-third of greenhouse gases in the United States come from transportation, reducing emissions from automobiles and providing Americans with alternatives to driving are important steps in reversing climate change.

The Administration has also pushed for other key changes. Just two weeks ago in Florida, President Obama inaugurated the largest solar power plant in the United States. This solar power plant will deliver electricity produced by the sun to 6,800 citizens of Arcadia, Florida. The solar plant also created 400 jobs. And, more importantly, over the next three decades, the clean energy produced by this plant will save 575,000 tons of greenhouse gas emissions. That's the equivalent of removing 4,500 cars from the road each year for the next 30 years.

Building solar plants and developing other renewable sources of energy will not be sufficient. President Obama announced plans to invest in the construction of a clean energy “superhighway.” This grid will take renewable power generated by any solar plant and deliver it directly to the American people.

This will make the U.S. grid more secure and more reliable, saving some of the \$150 billion we lose each year during power outages. It will allow us to more effectively transport renewable energy generated in remote areas to large population centers. For example, our wind farms are often located in the sparsely populated states and the challenge is moving the energy to urban areas. I imagine Greece might eventually have a similar challenge transporting energy generated by offshore wind turbines to cities on the mainland.

The new smart grid will revolutionize the way energy travels. It also is expected to create tens of thousands of new jobs in sectors ranging from manufacturing and construction to information technology and the installation of new equipment in homes and in businesses. In the end, it is consumers who will benefit. They will save more than \$20 billion over the next decade on their utility bills.

Combating Climate Change—U.S. Ambition Comparable to EU Efforts

On the international front, the U.S. Administration has vigorously reengaged in global climate negotiations. In the lead-up to Copenhagen, we have recognized that the United States must be a leader in the global effort to combat climate change. We have a responsibility as the world's largest *historic* emitter of greenhouse gases to lead by example. And, we are confident that the United States **can—and will**—take the lead in building the 21st century clean energy economy.

President Obama understands this, which is why he is working with Congress to advance comprehensive climate and energy legislation. Under his leadership the U.S. Congress is – for the first time in history – debating legislation that will place a cap on emissions in the U.S. The Waxman-Markey Bill, which already has passed through the House of Representatives, would reduce U.S. carbon emissions from 2005 levels 17 percent by 2020 and 83 percent by 2050.

The creation of a clean energy economy has to be made as swiftly and carefully as possible. Already, many U.S. citizens, as beneficiaries of new “green” jobs, understand the urgency because they understand the link between the growth of clean energy and the growth of our economy.

Neither the United States—nor the entire developed world as a whole—can combat climate change alone. The International Energy Agency estimates 97 percent of emission growth will come from the developing world. This much is clear:

climate change is a global crisis that demands a global solution.

There is simply no way to preserve a safe, livable, and viable planet unless major developing countries, such as China, Brazil, and India, play a globally responsible role along with the United States in the climate negotiations. These countries have taken steps to reduce energy intensity, boost use of renewable energy, and strengthen vehicle standards. **Yet they can—and will—need to do much more.**

The Obama Administration is engaging allies and partners toward an ambitious global strategy to combat climate change on a number of fronts:

- We are aggressively seeking an international agreement through the UN Framework Convention negotiating process.
- We have established an invigorated dialogue among 17 of the largest economies through the Major Economies Forum on Energy and Climate.

- We are elevating climate and clean energy to a top-tier issue in key bilateral relationships.

An example of this engagement is the proposal made by President Obama at the September UN climate summit to phase out fossil fuel subsidies. G-20 leaders at the 2009 Pittsburgh summit subsequently committed to phase out fossil fuel subsidies over the mid-term, providing targeted cash transfers and other appropriate support to the poorest affected. The OECD and International Energy Agency estimate that eliminating fossil fuel subsidies worldwide would reduce global greenhouse gas emissions 10 percent or more by 2050.

To meet the demands of science, the United States is seeking an international climate agreement that requires the following:

- **Developed countries** need to make robust, absolute emissions reductions in the mid-term from a base year

- **Major developing countries** must take actions in the mid-term, which will significantly reduce their emissions compared with their “business as usual” approach.
- **Less developed countries** need not make any commitments to reduce emissions. They should, however, focus on developing low carbon growth plans, with financial and technological assistance. The United States will fully support them in this effort.
- Importantly, **developed and developing countries** must agree to stand behind our respective actions internationally. **Although we are agreeing to different actions, our commitment to carrying out those actions must be the same.**
- Developed countries must support developing countries financially in making these changes.

The United States and other major developed countries must speak with one voice in engaging major developing countries to take meaningful action on emissions.

The U.S. and European approach are actually very similar and we cannot afford to let differences over mid-term targets hold up a global deal.

Another important part of any international climate agreement will be technology.

We need to promote and provide support for the development and dissemination of clean energy technology around the world. This includes developing countries.

The climate change agreement will provide access to technology and resources for all countries to reduce emissions and adapt to climate change.

I'm pleased to report that Greece already has taken this imperative seriously.

Hellenic Aid is working closely with the United States Agency for International Development to build renewable energy and energy efficiency capacity in the

Balkans and Black Sea area through an appropriately named project,

“SYNERGY.” The Greek Center for Renewable Energy Sources, an amazing

institution which I have visited, is the Greek implementing partner, working with

an American private-sector counterpart. SYNERGY will help build an

enabling environment for private investment, improved energy security, and

increased economic growth in Southeast Europe.

Ultimately, an international climate agreement must not only be about limiting carbon emissions but about providing a safe pathway for sustainable development. The link between clean, sustainable energy and robust economic growth is the hallmark of the 21st century global economy. Building a clean energy global economy can provide significant economic opportunity, driving investment, economic growth and job creation around the world.

At the American Embassy here in Athens, just a short drive up Vas Sofias Avenue, we are also trying to do our part to combat climate change. We are in the process of installing a series of photovoltaic panels to reduce our carbon footprint. The project, once completed, will furnish the embassy with 100 kilowatts. So, it's a considerable cost savings for us and a considerable contribution to climate security for everyone.

To conclude, President Obama and my government are deeply committed to cutting greenhouse gases in the United States and globally. The United States remains fully engaged in efforts to achieve a strong international agreement that meets the environmental, economic, and national security challenges posed by climate change. We are already implementing strong measures at home and are pursuing an ambitious strategy abroad to combat climate change.

We will continue to work with Greece and other partners. Our goal is to reach an agreement in Copenhagen that can attract widespread participation from both developed and key advanced developing countries to meet this common global challenge.

I also want to take this opportunity to commend Prime Minister Papandreou and his government for the bold agenda they have articulated on renewable energy and a “green” economy. We look forward to supporting Greece in this mission as it moves decisively to build an innovative economy that can help add value, create jobs, increase prosperity, and ensure stability.

It is only through courageous leadership on both sides of the Atlantic and around the world that we can meet the environmental challenges of today and secure the future of our children.

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