

Resolution of the Board of Directors in Support of Balanced Energy Policy

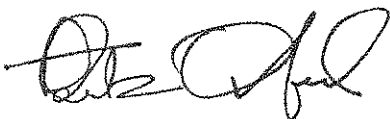
The Houston region is the energy capital of the world. The Greater Houston Partnership is the primary advocate of Houston's business community and supports Congressional efforts to respond to concerns related to climate change while promoting energy security and economic prosperity.

The Greater Houston Partnership supports the development and implementation of a comprehensive energy policy that incorporates the following principles:

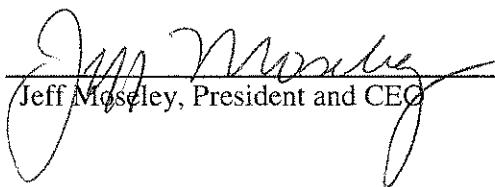
- Promote energy security and reliability;
- Ensure U.S. competitiveness in the worldwide economy;
- Ensure economic impact is borne proportionally across business sectors;
- Promote development and use of all domestic energy sources;
- Balance environmental objectives with economic growth and job creation;
- Promote energy efficiency and conservation;
- Achieve legislated emission reductions at the lowest possible cost;
- Address the international nature of greenhouse gas emissions and encourage global participation;
- Maximize transparency to companies and consumers;
- Reduce administrative complexity; and
- Enable market entry for energy efficient and low carbon technologies.



Daniel G. Bellow, Chairman



Patrick Oxford, Secretary



Jeff Mosley, President and CEO

MEMORANDUM

DATE: September 19, 2009

TO: Greater Houston Partnership Board of Directors

FROM: John White
Chairman, Environmental Policy Advisory Committee

SUBJECT: Resolution of the Board of Directors in Support of Balanced Energy Policy

RECOMMENDATION

The Houston region is the energy capital of the world. The Greater Houston Partnership is the primary advocate of Houston's business community and supports Congressional efforts to respond to concerns related to climate change while promoting energy security and economic prosperity.

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BACKGROUND

Energy underpins nearly every aspect of our lives. With future economic growth, demand for energy is expected to grow. Development and implementation of sound energy policy is critical for our nation's prosperity. The risks and costs of unbalanced supply and demand,

the need to protect our environment, and concern about climate change demand a policy framework based on sound science that is both practical and forward thinking.

The Greater Houston Partnership, a member-driven organization representing 2,100 businesses throughout the Greater Houston region, thoroughly evaluated this issue and vetted it through its committee process. The principles discussed below represent the culmination of this process.

Comprehensive energy policy must **promote energy security and reliability**. The United States must adopt policies that **ensure its competitiveness in the worldwide economy**. We cannot build and sustain a prosperous economy while growing increasingly dependent on imported energy. As our nation becomes increasingly dependent on foreign energy sources, we also become more susceptible to volatile price swings and potential supply disruption. This issue is compounded by our nation's aging energy infrastructure. According to the U.S. Chamber of Commerce, in 2008 transmission lines spanned more than 200,000 miles, U.S. oil pipelines could circle the equator eight times, and U.S. natural gas pipelines carried natural gas over 1.8 million miles. It is critical that necessary investments are made to modernize and protect this infrastructure.

Energy legislation must implement economy-wide policies in order to **ensure economic impact is borne proportionally across business sectors**. Equitable treatment of all sectors is essential in order to ensure the burden of the legislation does not fall disproportionately on any particular industry, source, or region.

Energy legislation must also **promote development and use of all domestic energy sources** in order to reduce our nation's reliance on foreign imports. Our nation possesses resources enabling both the use of fossil fuels and renewable energy. Developing and utilizing all available domestic energy sources ensures an affordable, independent, and secure energy supply. Utilizing our domestic energy supply will also create and maintain employment opportunities for the American workforce.

Our nation's increasing energy consumption impacts the environment and climate. Sound energy policy should **balance environmental objectives with economic growth and job creation**. A vibrant economy must devote resources to protecting the environment. The energy sector plays a critical role in the well-being of the U.S. economy. It is imperative that this sector has an adequate and skilled workforce. Education, training programs, and incentives are necessary to attract and retain human capital.

Immediate benefits are realized by conserving energy. Balanced energy policy must **promote energy efficiency and conservation**. The projected U.S. growth in energy demand outpaces projected energy efficiency improvements. Energy efficiency and conservation assists with cost management and competitiveness. Improved efficiencies also allow industries to reduce greenhouse gases associated with climate change **and achieve legislated emission reductions at the lowest possible cost**.

We live in a global energy market. To be effective, new energy legislation must **address the international nature of greenhouse gas emissions and encourage global participation**

from developing countries. Many countries find it difficult to reconcile addressing climate change and meeting increasing energy demand at an affordable price. Partnerships across nations should be pursued to address these common problems without erecting barriers to trade or acting to redistribute wealth.

It is critical that all costs and benefits of proposed energy legislation are communicated to **maximize transparency to companies and consumers**. There must be public access to data and research to inform consumption and investment decisions.

Complex regulatory mandates imposed upon energy suppliers will increase production costs. Additionally, uncertainty regarding regulatory and liability issues discourage development of innovative energy alternatives and technologies. It is important that energy policy is mindful to **reduce administrative complexity**.

Energy legislation must incorporate an incentive structure to **enable market entry for efficient and low carbon technologies**. A secure energy future is tied to the degree we are able to accelerate the commercial adoption of new technologies.

IMPLEMENTATION

To implement this recommendation, the Partnership would communicate its support of this resolution to the Legislature.

RESOURCES REQUIRED

This resolution can be implemented within current budgetary constraints.