

CENTER FOR AMERICAN PROGRESS

KEYNOTE SPEECH: REPRESENTATIVE JAY INSLEE

**INTRODUCTION:
CATHY CALFO,
EXECUTIVE DIRECTOR,
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**SPEAKER:
REP. JAY INSLEE (D-WA)**

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CATHY CALFO: We're very fortunate to have champions like Sen. Stabenow working to promote clean energy and good jobs. I know, on behalf of Apollo, we really couldn't do it without her leadership. Our next speaker is another national leader in the clean energy, good jobs movement. Congressman Jay Inslee, who represents Washington state's 1st congressional district, is a member of the House Energy and Commerce Committee, the Natural Resources Committee, and the Select Committee on Energy Independence and Global Warming.

He has been a tireless advocate in his vision for America's clean energy future. He introduced in 2005 a bill known as the New Apollo Energy Act and for other measures that would reduce American's greenhouse gas emissions. He's been a tireless champion. Last year, he was one of the key leaders in passage in the House of the American Clean Energy and Security Act. We are honored to have with us today Congressman Jay Inslee.

REP. JAY INSLEE (D-WA): Well, thank you. This is a real treat. You know, hats off to John Podesta who named this group Center for American Progress. I mean, really, I believe in America and progress. It's great. So it's really good to be here. A shout-out to my coauthor Bracken Hendricks, who I think addressed you, who I think we got to write this book about a new vision for America on the Apollo project. And is Bracken here? Bracken, thank you for making sure I spelled everything right, amongst other things.

Well this is a good day to be proud of America for a couple reasons. I'll just start – number one, we let Canada take the gold medal in ice hockey, in men's ice hockey, and we did that to allow them to maintain some national dignity because we know how important hockey is to them. But we do not intend to allow China to take the gold medal in the clean energy economy of the future. The silver medal will not be good enough for America when it comes to capturing the clean energy jobs of the future.

And we are now – and it's interesting that you mention, I introduced this New Apollo Energy bill in 2005; it seems like an eternity ago – we are now almost at the finish line of the start line of America's clean energy economy, with the hopeful passage in the Senate and signature by Barack Obama, who's done a fantastic job leading this effort, to really jumpstart the clean energy revolution in this country.

And I believe it's something that is unifying to do this in the country, because you can debate climate change all you want. Certainly, there are those that still want to deny clear science on climate change. But this is a unifying thing for the country to understand several things that ought to unify us. Number one, there's a national security interest in reducing our dependence on foreign oil. This is a unifying thing for America.

Number two, it is a unifying thing for America that the greatest job creation machine for America is in clean energy. That ought to be unifying in America and it's unifying in America

to realize we're not going to allow the oceans to become more acidic than they already are, which have 30 percent more acidic than they were in pre-industrial times.

So this message of a clean energy revolution is one that I believe can and should unify the country and will hopefully unify us enough to get a few of my Republican colleagues in the Senate to really help us launch this revolution. So here's five data points why I think it's important to start right now in this regard.

Point number one, today the Yingli company, a Chinese company, announced they want to build 10 megawatts of photovoltaic energy in New Jersey, after already capturing one-third of the photovoltaic market last year in California, which is consistent with what the president and premier of China told Nancy Pelosi and myself five months ago, which is they intend to be – they didn't use the word dominant – but perhaps pre-eminent in the clean energy race.

It is our task, it is our challenge, and I believe it is our destiny to get in the starting blocks and start as America to make sure that we do not get left at the starting gate by China and other countries in the world that are moving forward and we have to recognize something about China. They have a command-and-control system. When the premier and president said, we're going to put X number of dollars investment in clean energy, it happens.

We have little more diffuse system in this country of decision-making, particularly with the filibuster in the U.S. Senate. So we have to use some mechanisms that will engage the market with market signals to drive investment into these clean energy economies and if the U.S. Senate will get off the dime and pass the clean energy bill, we in fact will do that.

Point number two: Last night, I met a guy from Johnson Controls, about a mile from here, and he told me that this fall they will begin construction of America's first lithium-ion battery construction plant in Michigan. He told me the city – and I can't remember where it was. And he told me that the reason they are going to do that is because of the money I helped get in \$2 billion into the stimulus bill to help the lithium-ion manufacturing battery industry in the United States start.

And indeed it is going to start. I mention this data point because we know there are things we can do that will jumpstart the creation of these new energy systems and in fact it's starting right in Michigan. What a great story. Point number three, Alan Mulally was in Seattle last week and yesterday – Ford, the president of Ford, CEO of Ford – announced they're going to have five electric vehicles in the European market by I think it's 2015.

Large manufacturers are making the transition to very energy efficient systems and we're going to build a battery industry to supply them. Point number four, Boeing last week talked about the development of their biofuels-powered jet. They just launched the Boeing 787, which is, by 20 percent, the most fuel efficient aircraft of all time. Now they're going to start running it on biofuels with a very low CO₂, a fifth footprint.

Data point number five: The week before last, I went to EnerG2 Company. They're also recipient of \$20 million from the stimulus bill in Seattle, Washington. They are developing a

nanotechnology system of essentially using an ultracapacitor that potentially could increase the density of a battery by a factor of 15. So here's five data points. They create a mosaic and a picture of both a challenge and a great promise, the challenge being China and Germany and Spain, which are poised for the go.

Somebody just asked me where we are, are we too late? Is this too late for America to get going? I think the answer is no, and the metaphor I would take is I think we're in a 100-yard dash – 100-meter dash; we'll make this international, Olympic distance – and the situation is the starter has said, “ready, set,” hasn't said go yet but he's said ready, set.

China's in the blocks, got their toes on the line, their fingers in the line. They're all poised to take off. We're just starting arguing about what the blocks should look like in the U.S. Senate and we need to get those blocks designed, nailed down, ready, and get our industries in the blocks so that they can go.

If we do that this year, we will be fully engaged in this race. If we do not, the other guy will be 15 yards down the track and in a 100-meter dash, because this will be a very quick adoption of these new technologies and we know in high tech what happens. The first adopter is just like the guy who gets out of the gates fastest in that four person race the Olympics had this year, that downhill race, those crazy guys go down all together. Did you notice the guy who won was always the guy who hit the first mogul first? It's the same in high tech. So we've got to get out the block.

So that's the challenge. The promise is, if you go around this country, and Bracken and I did this when we wrote this book “Apollo's Fire,” you can't turn over a rock without finding some American who has followed the three rules of economic development and those three rules are innovation, innovation, and innovation. And it's happening all over the country. I mean, literally, I meet people every week who are innovating around this country.

Now, what message do we need to give them? There are some easy messages that are totally no-brainers that we hope will be adopted soon: a renewable energy portfolio standard so the 20 percent of our electricity can come from clean energy, a significant increase of our research and development budget for the United States, which right now is pathetic.

We spent more money designing a mine-proof Humvee last year than we did in the entire clean energy budget in the United States of America – just to put this in perspective, one-fifth to one-sixth of what we spent on the original Apollo project. That's improving but we have a long ways to go. A tax system that will reward consumers and businesses to buy in fact so we create higher demand and ability to obtain these clean energy sources, new standards for heating and cooling and cars to make sure we get this technology into our new industry.

Those things are kind of obvious, frankly, and ought to be obvious to anyone. But here's the one we need to focus on right now, particularly in the U.S. Senate. I met with about two dozen venture capitalists in California the week before last, and they all told me one thing and they followed kind of a principle. I'll call it the field of dreams principle.

If you remember “Field of Dreams,” whatever you think of Kevin Costner – I thought it was a pretty good movie – but he said “if we build it, they will come.” Well, what the VC guys and gals told me, if you build it, we will come and when they say it, they mean a message on carbon to reduce the amount of carbon pollution in the atmosphere, a price on carbon pollution.

They said if you build a regulatory structure that creates a cap on carbon and creates a cost for pollution, we will come and we will bring our billions of dollars in private investment in these new companies to build the U.S. economy into a clean energy framework. But if you don’t, we won’t. So the big enchilada, the big kahuna, the mother of all job creation policies today is having some regulation on carbon pollution because it will unleash the private investment that is necessary to get these companies going.

Uncle Sam can help. We’re putting money into the stimulus bill. We’re happy to do that but it’s pennies on the dollar compared to what the private sector can do and we’re never going to match China on our command and control decision on investment in this area. So the big issue of job creation today I believe, and I’m mentioning this to you because I don’t think it’s entirely intuitive, people think of the carbon cap, either a cap and trade system or some other regime, as sort of just there for the environment.

No, it’s there for job creation because it’s the one thing that will unlock the bank door and get the investment going into the private sector. That is why it’s so critical. That is why it is so crucial. That’s why I’m encouraging my colleagues to have a very firm cap on carbon to get that done. I’ll mention three things I’ve been working on too just because these are not always in the top of the radar screen. One is transmission. We’ve got to have a grid system that is up to the ability to translate the enormous wind power we have offshore.

You know, our wind development is still in its infancy. People think we’re done. The wind industry is still in its infancy. And the reason is for all the onshore resources now, we have probably double that offshore, both Atlantic coasts. What we don’t have is a transmission system that can in fact relay that information.

We don’t have a transmission system yet that can move BrightSource, which just got a stimulus grant loan guarantee yesterday to move that. We’ve got to improve our transmission system. In the bill, I have a provision to allow federal siting authority to make sure that the Infinias of the world can get a solar thermal site that can use their cooling system, and get a transmission grid system worthy of this century.

Second, we need a clean energy bank. It’s something that I helped design in the House bill. A clean energy bank, a green bank will provide funding across the valley of debt. So these new businesses can finance their first commercial operation. You know, it was a lot easier to make a gazillion dollars in the Internet than it is in clean energy because clean energy requires real capital. It requires real steel. It requires real smith. It requires real copper. The good news is that creates jobs. The bad news is it needs real capital to get going. So this green energy bank is in the House bill, I hope will be in the Senate bill.

Third, I want to mention the feed-in tariff which is a new idea but it's been supremely effective in Germany. We've got to make sure it's dialed in correctly but I'm pushing this idea because I think it will be supremely effective. So bottom line, we are ready to start the race. The starter's pistol is going to go off very shortly and it's up to some members of the U.S. Senate to determine whether or not we're going to be in that race.

And I hope we will find a bipartisan solution to make sure that happens and when we do that with the carbon pollution, Cathy bar the door, because America still is the most entrepreneurial, the most creative, the most innovative society on the face of the planet ever and that includes the Egyptians who built the pyramids. But we need some market signals to make sure we fulfill that promise.

So there's some good news and I'd love to stand for questions or gentle criticisms or ideas how to move the U.S. Senate. Fire away. There's somebody in back there. I saw a hand back there somewhere.

Q: Thanks, Congressman Inslee. I'm Patrick Neville from the King County Labor Council in Seattle Washington.

REP. INSLEE: Oh right, thanks for being here.

Q: So I'll say hi to the folks back home.

REP. INSLEE: Yeah.

Q: I was just wondering if you've had any conversations with folks from our information technology cluster that we have in Washington state about how they can participate in the development of clean energy systems.

REP. INSLEE: You bet. We've got a very vigorous IT component in Washington state. I'll just mention some of them: the Verdiem Company, which has developed the computer software that can reduce the energy usage of your computer system by 20 or 30 percent. It should be on every computer system in the federal government and every big organization in the country.

Microsoft has a similar suite of products which it has developed to reduce energy consumption. A company called GridPoint which essentially started with V2Green has developed the software system to manage the interface between your car with a lithium-ion battery and the grid because as you know, the beauty of the electric car is you're going to be able to use it to rent out to your utility when you're asleep at night.

You'll rent out your car as a storage system to the utility to store their wind energy that they won't have a use for at night. They can store it in your battery. The utility will pay you some money to use your battery and then when they need it when people get up and turn on their toasters, you'll feed it back into the grid. So this system – these guys have developed a software system to manage that interface. I'll just mention, there are many others. So yes, this is a

growth opportunity. IT will be pivotal in it because the smart grid obviously requires software and I can report it works.

The Inslee household now has one of the first smart grid applications in Washington state. My little house now has a little component with some software in it. We tried to – decided not to build a new substation on Bainbridge Island, where I live. So we decided to just reduce our energy consumption instead and reduce the peaks.

So I and 600 of my neighbors put in a little system that turns off our water heater when we hit those peaks. It might turn down my thermostat a degree or two. We'll never notice it and we're going to avoid having to build a substation. So the answer is yes and IT's got to be a pivotal component. And we're going to create a lot of software jobs in this clean energy revolution.

Q: Thank you so much for your – (inaudible).

REP. INSLEE: Well, some of my colleagues in the East haven't quite got religion yet on the subject and we are going to continue that discussion and it was a start in the West and we hope that it will follow William O. Douglas' autobiography, which title was "Go East, Young Man." You'll recall Justice William Douglas grew up in Washington state, took a sheep car to go to school on the East Coast. We hope that idea will move forward.

It will come down in the final analysis when we get a House and Senate bill of merging these two and that is a part where the Senate – when we have a uniform position. I will say that and it just takes us to talk to my colleagues about how important it is and how achievable it is. Now, this is a hard issue. Clean energy is hard in the sense that it requires us to think anew.

But I really believe all of us have to think anew about clean energy or we will not realize our potential and I think it requires all of us to think a little outside of the box and all of us at times to ask our constituents to think a little outside of the box, things that might not be politically convenient.

I'll mention nuclear power. A lot of folks on my sort of side of the aisle for a long period of time have said we should rule out any consideration whatsoever of nuclear power. It's politically inconvenient, well Al Gore had "An Inconvenient Truth". Well, another inconvenient truth is all of us I believe have to start thinking that this challenge of climate change is so overwhelming that we have to do things we weren't comfortable with before, frankly, and one of them is transition siting authority.

Maybe another one is nuclear power, if we can find a way to deal with the waste and we can get their costs down in a way to be commercially viable, which they have not done yet, but perhaps may have way of doing in the future. So I would just suggest all of us have to do things that are a little politically difficult, challenging, and we're going to have to ask our constituents to join us. That was a more candid answer than I wanted to give, but since I'm among friends.

Q: Hi, Eric Roston with the Nicholas Institute of Duke University. In the public sphere, we've seen an embattled climate science conversation the last few months. What's the role of climate science in our public discussion of clean energy?

REP. INSLEE: Well, I'm a rabble-rouser on this because if I was king and had authority, I'd have 2,000 climate scientists camped out on the East Lawn of the Capitol right now – and I think climate scientists are way too civilized. I think they're way too polite.

I think they're way, way too quiet because they know what's going on in the world today – and frankly, a lot of members in the Capital don't, if I may speak bluntly, and because of their training they've been taught to never get involved in an advocacy position and therefore, just write a nice paper and assume things will turn out.

It's frustrating to me because the climate scientists know that even though some people used untoward language in e-mail, and even though they made a prediction about Himalayan glaciers which might be off by a factor of 10 as far as their rate of melting, the fundamental science remains absolutely intact. And the bad news is the other thing climate scientists know, since the last IPCC report was issued, we have found out the IPCC report was wrong.

It was wrong by not being alarmist enough because all of the data that's coming in from melting in the tundra to the rate of melting in Greenland to the rate of biological change in areas to the rate of acidification in the ocean – almost all of that has been on the high side or outside the parameters the IPCC report gave us. It's all in the bad news side of the agenda.

So you know, when I see Bill Nye talking on TV talking about science, I think, go get them, Bill, and I would like to see every scientist coming up with a megaphone and telling members of Congress what they know, because what they know is something Congress should know and it doesn't know right now. Because the guys who work for the tobacco industry 20 years ago to try to create doubt about tobacco retired from that career and they got a new career now and that's to try to create doubt about climate change.

And climate – (inaudible) – is probably the right language to use and there were millions of dollars spent to try to pimp the idea that a snowfall in Washington, D.C., means that we can go ahead and put 500, 600, 700 parts per million CO₂ and everything's going to be hunky-dory. And there were millions of dollars spent successfully to do that.

So I just call upon anybody who's a scientist just to share what they know with people in Capitol Hill because what they know is very disturbing to me and you won't get through to everybody. You won't get through to everybody. There are just some people who have decided not to listen and you can't get people to listen if they don't want to. But I do think that we can move forward on the way I talked about, which is okay, if people refuse – and by the way this is so disturbing for me.

My colleagues fly on an airplane every day that's held up by Newtonian physics but they won't accept Newtonian physics when it comes to climate change. They use a Blackberry

they're all addicted to that depends on quantum mechanics but they won't listen to the scientists who developed the Blackberry, who know quantum mechanics when it comes to climate change.

Now that's frustrating to me that you can look at your Blackberry, realize it took scientists to develop it but the same scientists who developed that comes and tells you the Earth is going to heck in a hand-basket and you ignore them. Now that's frustrating to me. Nonetheless, let's get over our frustration.

Let's put aside – let's put aside the issue of climate change and let's find out what unifies us, which is national security, not letting China eat our lunch in job creation, and not allowing the oceans to become so acidic that neither one of the Bushes will ever be able to catch bass again off Maine.

Now that may take 150 years to happen but at some point it's going to disturb the food chains in the oceans in a very, very dramatic fashion. So let's just figure out what we agree on and move forward and I think we can do that because those three things all justify a cap on carbon because it will help solve those three problems.

Q: I'm Andrea Mitchems (ph). I'm a local county leader and I'm a rabble-rouser at the local level, so thank you.

REP. INSLEE: Great, I give you license to rouse the rabble.

Q: Well, my political advisors have been telling me stop talking about climate change because it's hurting you politically.

REP. INSLEE: Right.

Q: I'm sure you hear that and I think that in Virginia you asked for help on the Senate – we have Sen. Mark Warner and he's a great technology leader and we have Sen. Webb – Jim Webb – who should be a leader on these issues from a national security standpoint. And in my opinion, if we were to stop talking about climate change that cuts out a national security issue that I'm hearing more and more from companies like Northrop Grumman, one of the largest employers in Virginia.

So could you just talk about that a little bit? You said, let's put climate change to the side. I actually would almost argue let's put it right in center and say this is a national security issue; Sen. Webb, what are you going to do about it?

REP. INSLEE: Well, I think I guess I would just want to know your audience. I would just want to know your audience. There are some people who might be undecided right now on a bill in the Senate. I'm not giving professional advice about how to talk to senators right now. That's really above my pay grade.

So let me put it in a more hypothetical basis. You might have two people who are undecided. One might be in the category that they are from an ideological standpoint they have

concluded that climate change is a plot of specter that James Bond used to fight for world domination. From an ideological standpoint, they just are not going to listen to climate scientists.

There's a lot of people like that. To those folks, I probably would not try to argue climate change with them because they have put on ideological blinders and both sides accuse the other of this too, as being turning this from science to a matter of faith. But there are people that just ideologically are not going to accept that. To those folks, I would talk about national security and I would talk about job creation.

There's another category of people that still are thinking about the ramifications and the economics of a cost on carbon who are reachable about the science, who do understand the importance of national security, and yes we should talk about climate change to that group of people because it adds to our weight of our argument. So I guess it just depends who you're talking to.

But I would – again, I just – I mean my overriding message is America is desperate for unity right now. when you go talk to people who are desperate for bipartisanship, they want to see people working together, and I just make a plea to the Senate to work together on something we all can agree on and I mentioned three things that we ought to all be able to agree on and I hope that will be an organizing principle of the effort. I hope I answered your question. I see a hand back here. I don't know if there's a microphone switcher. I can hear you if you just speak up.

Q: My name is Lindsay Woolsey. I'm with the Corporation for a Skilled Workforce. I live in the Okanagan Valley –

REP. INSLEE: All right.

Q: On the Colville Indian Reservation which is in Washington 30 miles down the Columbia River including the Grand Coulee Dam which right now I think is the fourth largest hydroelectric dam in the world and so I wanted to ask you a job creation question because you mentioned that.

My question is, at Grand Coulee Dam right now, in the next 10 years, they're facing a 50 percent loss of skilled technicians because the baby boomers are retiring. Even though baby boomers are working longer in terms of the recession, they're still going to retire eventually. So this is a big, big issue for them. And so I'm wondering – I'm curious about your thoughts and the discussion that's going on around that side of job creation, that there are jobs in the industry that are going to open up. We're not sure we have the skilled workforce to fill them. That's a problem.

REP. INSLEE: Obviously, we've got a big training component of this national challenge and the good news is in our state – we should talk sometime; I hope you'll give me a call so we can talk about this – but we're developing a whole host of new training systems at South Seattle

Community College, which has now got an energy efficiency program up and running. The demand is obvious and we're going to fill it.

I want to thank you for a chance to say hello. I hope you will all be rabble-rousers in the next few weeks. The nation needs to be roused. If it is, we'll have a great future with the New Apollo Energy project. Good luck to all of us. Take care.

(END)