



John Engler

President and CEO

IDENTICAL LETTER SENT TO THE FULL HOUSE

July 30, 2007

VIA FACSIMILE

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

Dear Madam Speaker:

On behalf of the National Association of Manufacturers (NAM), I urge you to reject an amendment to mandate a 20 percent federal renewable portfolio standard (RPS) on electric utilities during consideration of energy policy legislation this week.

The NAM devotes great attention to energy policy because manufacturing is tremendously energy intensive. Manufacturers use more than one-third of the nation's natural gas and almost 30 percent of its electricity.

We are deeply concerned that a mandatory federal RPS could raise electricity prices for all consumers. Electricity costs are a significant factor for U.S. businesses. Affordable and reliable electricity is essential to the long-term health of the U.S. economy and its citizens. Lower energy prices mean greater take home pay for American workers, and access to affordable energy enables domestic producers of chemicals, plastics, fertilizers, paper and wood goods, glass, metals and food products to effectively compete in the global economy.

Almost half of the states have already implemented renewable portfolio standards based on their available renewable energy resources. These state programs set percentage requirements and timelines that the states believe are achievable. We are deeply concerned that the 20 percent federal RPS amendment will preempt, or conflict with, many of these state programs. At the same time, other large regions of the country are not rich in renewable resources. A federal RPS mandate will result in a huge wealth transfer from those regions to other areas or, even worse, simply result in utilities paying significant sums of money to the U.S. Department of Energy while still having to meet the energy demands of their consumers.

The NAM supports renewable energy as an important part of our energy mix. However, we believe that extending tax credits for renewable power systems and providing incentives for

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the construction of solar plants and large-scale wind farms is a more direct and efficient way for the federal government to support the development of renewable energy.

We urge you to carefully consider the negative impact a 20 percent RPS requirement will have on energy costs and our nation's competitiveness, and oppose any efforts to impose a mandatory federal RPS.

Sincerely,

A handwritten signature in black ink that reads "John Engler". The signature is written in a cursive, flowing style.

John Engler
President

JE/km