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March 9, 2010

Honorable Maria Cantwell
Room 511 Dirksen Building
United State Senate
Washington, D.C. 20510

Honorable Susan Collins
Room 413 Dirksen Building
United States Senate
Washington, D.C. 20510

Dear Senators Cantwell and Collins:

On behalf of AARP and its 39 million members, I want to thank you for introducing S. 2877, the Carbon Limits and Energy for America's Renewal (CLEAR) Act, and for your continuing leadership on behalf of America's consumers in the Senate debate over energy independence and climate change. Your CLEAR Act legislation offers a thoughtful, bipartisan approach to reducing harmful carbon dioxide emissions while also mitigating potential energy cost increases to consumers.

AARP approaches the issue of climate change from a somewhat unique perspective. As we are not an environmental advocacy organization, we do not take positions on the scientific issues underlying the debate on global warming, nor do we advocate for any specific targets or structure for reducing carbon emissions and allocating emissions credits among power generators and local utilities. Our primary interest is protecting consumers from having to pay a disproportionate or excessive share of the cost of any approach Congress determines will best limit carbon emissions and encourage alternative electric generation.

Our expertise in this area derives from our advocacy on behalf of consumers in state utility regulatory proceedings and our understanding of the complexities of state utilities regulation. For more than 20 years, AARP has been the only national organization consistently working at the federal level and in the states to advance energy affordability and consumer protections from unfair utility policies and rate increases. Last year alone, our national and state office staff engaged in legislative and regulatory efforts in 30 states that resulted in nearly \$120 million in documented savings for consumers.

The CLEAR Act offers a uniquely pro-consumer approach for addressing climate change on an economy-wide basis. It proposes a federal auction of 100% of emissions credits, with the proceeds from 75% of these credits reserved for direct assistance to consumers in monthly cash rebates. It seeks to mitigate indirect costs that are routinely passed on to consumers by imposing a price collar on the price for emission credits to prevent price spikes and promote energy price stability, while also prohibiting trading of emissions

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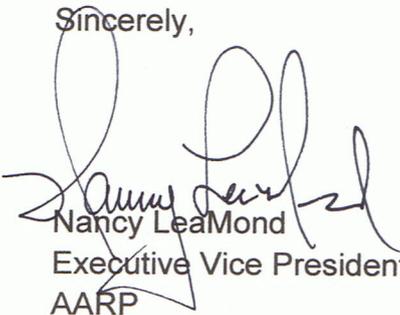
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credits to avoid what analysts estimate could become a trillion dollar trading market for carbon credits. It establishes an energy efficiency rebate loan program to help consumers finance home energy efficiency improvements. In addition, the CLEAR Act proposes to use part of the proceeds from the remaining 25% of credits for additional assistance to low-income consumers, recognizing that low- and fixed-income households routinely spend a far larger proportion of their monthly incomes on utilities. And it authorizes and funds a Consumer Advocate Office to provide a truly independent voice for consumers in regulatory proceedings before the Federal Energy Regulatory Commission.

AARP strongly supports these features of your legislation as essential to helping residential consumers transition to a clean energy economy, and protecting them from having to bear an unfair share of the cost. We look forward to working with you to highlight the innovative and important features of your legislation and to ensure that they are included in any final climate change legislation.

Thank you again for your continued leadership on this and other issues that are of critical importance to older Americans. Please feel free to call on me, or have your staff call Marti T. Doneghy, Senior Legislative Representative in our Office of Government Relations and Advocacy at (202) 434-3804 or contact her at mdoneghy@aarp.org if we can provide you with any information or assistance.

Sincerely,



Nancy LeaMond
Executive Vice President for Social Impact
AARP