

Bill Richardson for President

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Thank you, Ted, for that introduction. I appreciate the opportunity to speak here today at the New America Foundation. I appreciate your sensible policy influence in many areas.

Thanks to my friend Terry Tamminen, head chef in my friend Arnold Schwarzenegger's kitchen cabinet.

Thanks also to Diana Farrell and the McKinsey Global Institute for their excellent report on energy productivity, to be released today. It confirms what we have been doing in New Mexico and the West, and it supports what I will discuss today.

Energy productivity is critical to meeting energy demand. It creates a more resilient, more prosperous economy. And for consumers, it saves money, saves energy, and protects the climate. The McKinsey report is a huge step forward in understanding energy.

I want to recognize some of the other folks here as well. Steve Howard, from the Climate Group, bringing the private sector together to face some of the world's biggest challenges. Bill Prindle from the American Council for an Energy-Efficient Economy, who's a great resource on energy efficiency. Linda Fisher, from DuPont, a company that is leading the corporate sector on sustainability. John Stowell, from Duke Energy, among the nation's leaders in seeking clean energy solutions. I am sure I missed people I should acknowledge, but I don't have a lot of time. So let me get started.

Jefferson said something like "a little revolution every twenty years isn't a bad thing."

We have known about this country's energy problems for 35 years, yet our energy revolution stopped in about 1985, when we rolled back fuel economy standards. Since then our consumption has climbed, fuel efficiency has stagnated, and our crippling dependence on foreign oil has about doubled.

Today, I am going to stake my claim to being the next president, **the Energy President**, on the concept of a fast, comprehensive energy revolution in the United States.

Gasoline is back up over \$3 a gallon. People are hurting. The decline in retail sales reported for April was among the worst ever, partly because most American households do not have income to spread across high gasoline costs and all the other expenses of life.

These gasoline price increases have virtually nothing to do with the Arctic National Wildlife Refuge or the Outer Continental Shelf. They are not because oil is running out, or because of hurricanes in the Gulf of Mexico.

I am here to tell you consumers are hurting because U.S. energy markets are not diverse and competitive, and because we have fed our addiction to oil instead of ending it.

We are bleeding ourselves to death, buying up to 300 billion dollars worth of foreign oil every year, and spending another 100 or 150 billion dollars transporting and defending oil around the world.

The potential for larger price spikes and pain is even scarier. A successful terrorist attack on critical oil infrastructure, for instance, could drive prices up to \$100 or \$120 or even \$150 a barrel.

We need a bold, aggressive national energy and climate policy that helps Americans who are struggling to heat their homes and fill their gas tanks, and that moves us to safe, available alternatives as quickly as possible.

That policy will recognize and benefit from the regional differences that give the United States its strength and

diversity.

These regional strengths – from the wind and solar of my own Mountain region, to the biomass and coal of the Midwest, to the tidal forces on the coasts – will help the United States meet the two great challenges of our era: energy security and global warming.

Here are the principles that guide my thinking.

Our energy policy solutions **must** fight global warming, which threatens human, ecological, and economic catastrophe literally everywhere on earth.

Our energy policy solutions **must** wean us from oil, because **any** oil addiction perverts our nation's strategic objectives, limits our options, and costs us both blood and treasure.

Next, in meeting this challenge, we must support and help people, communities, industries, and small businesses who could be hurt by a careless transition – but are being terribly hurt by soaring prices today.

Further, I am a market-oriented Democrat. I want to set clear regulatory standards and systems and incentives, and allow the markets to respond.

Finally, we must keep the U.S. at the forefront of science and technology development – exploring frontiers, finding solutions to our energy and climate challenges.

These are my bedrock principles -- they are not subject to negotiation.

We need a man-on-the-moon program to end this addiction, this hemorrhage. But we need it **much** faster and **much** more boldly than people are suggesting.

When John F. Kennedy challenged this country to reach the moon, he challenged us to get there in **TEN** years, not twenty, or thirty, or forty.

On energy policy, we need to change fast, or sink slowly.

I am issuing a call to action, for Congress, the energy industry, and the public. I am calling for a new American revolution – an energy and climate revolution.

People in politics and industry might say it can't be done. My goals are too lofty.

I am not comparing myself to JFK, but I know that when he challenged Americans to reach the moon in 10 years, America responded by saying, "How can we help?" We **didn't** say, "It can't be done."

I bring experience and a record of accomplishment to this challenge. As Governor of New Mexico, I have put renewable energy requirements in place, supported generous solar tax incentives, eliminated sales taxes on hybrid vehicles, set aggressive targets to reduce global warming pollution – a list of about 40 important initiatives. New Mexico is now the Clean Energy State.

As Energy Secretary, even with very low oil prices, I pushed for aggressive energy efficiency standards, conservation in the midst of the California electricity crisis, a national renewable portfolio standard, and development of new vehicle technology.

As a diplomat and negotiator, I have a record of dealing successfully with hostage-takers and tyrants. Now I want to bring that experience to the task of freeing the United States from its status as international hostage to costly energy, and from the tyranny of oil dependence.

I have a record, I have the will, and I am making this the central priority for new national policy in my campaign for president. When I take office, the Congress and I will have a **second** "First 100 Days," like FDR's, to focus on changing energy and climate policy right away.

Here is my five-goal policy framework to break our oil addiction, create competition and value for consumers, strengthen our national security, create American jobs, and lead the world to effective climate protection.

### **It starts with goal 1, a dramatic reduction in oil consumption by 2020.**

The United States consumes about 21 million barrels of oil per day. After Katrina, about 65% of this was imported.

By 2020, with hard work and the cooperation of Congress and the American people, we will reduce our oil dependence by **at least** 6 million barrels a day, **probably** 8 million, and **possibly** as much as 10 million.

First, we need to get low- and zero-petroleum plug-in cars into the marketplace, while sharply reducing the

carbon emissions from our electric sector. This is the most important single step we can take in changing our oil consumption patterns for the future.

By 2020, this change will reduce consumption by around 2 million barrels a day, with far larger reductions in the years after that.

As Energy Secretary, I supported the electric and plug-in hybrid vehicle concepts. They work. The battery technologies have come a long way.

I am talking about two types of vehicles.

The **pure-electric** vehicle offers simplicity and performance for an average daily commute in our larger metro areas, like the big cities on the coasts and in the midwest.

The **plug-in** electric car or truck provides more range and flexibility for people who might drive longer distances, and it can extend gas mileage above 100 miles per gallon.

Plug-in cars don't need a whole new refining and retailing infrastructure, like hydrogen, which has potential for the more distant future. The infrastructure is there, in your wall sockets.

Most consumers will love the plug-in car. As a consumer, you choose your fuel. Gasoline at 3, maybe 4 dollars a gallon? Or electricity, costing a dollar or two for a 100-mile charge?

In February of 2009, within 30 days of taking office, I will hold a two-day White House plug-in summit with automakers, utilities, and labor. We will lock in the program to get the 100 mile per gallon car on the market across the board, and to make sure we are building clean electricity to fuel it.

I will push this plug-in car concept with significant rebates to consumers who buy them, and by supporting automakers who want to build them. I expect the Big Three automakers to lead the world in this technology. There are other manufacturers – including an electric car manufacturing company in my own state – who are fast getting into the market, at Detroit's peril.

Here's my second oil-saving initiative.

I will push fuel economy standards to 50 miles per gallon by 2020. As a result, our conventionally powered automotive fleet will reduce its demand by as much as 3 million barrels a day.

What the Congress is considering right now, at thirty-five miles per gallon, marks progress after years of inaction – but we made **better** progress 30 years ago.

In fact, between 1977 and 1985, the U.S. reduced oil demand by 17% without **any** of the great new technologies and alternatives we have available now.

As the McKinsey report says, aligning U.S. fuel economy standards to international levels could save millions of barrels of oil every day. And it will save money for people who use conventionally fueled vehicles – perhaps as much as \$1,000 or \$2,000 a year for people who drive long distances, as we do out West.

Automakers, including Detroit, can meet these standards by using lighter but safer materials and new engine efficiencies such as ultra-clean diesels.

Here's my third oil-saving initiative. We will create a well-to-wheels low-carbon fuel requirement that reduces the carbon impact of our liquid fuels by 30% by 2020, including alternative fuels that will substitute for about 10% of our gasoline demand.

This standard will bring our oil consumption down by another 2 million barrels a day.

These fuels can be produced all over the country, creating jobs in rural areas, and preventing the export of petrodollars to other nations.

Fourth, we will reduce oil consumption by non-auto transportation – ships, trains, trucks, and planes. This will include new technologies, including some fuel-switching to electricity and renewable fuels – and save another 500,000 barrels a day. We will work to increase the efficiency in non-transportation sectors as well, potentially saving another 500,000 barrels per day. And I will support smart growth and public transportation policies that will reduce driving and save oil.

This is an integrated, comprehensive approach to a tremendous national challenge. It relies on American technology, patriotism, and cooperation.

In all, by 2020, with real presidential leadership and the support of Congress and the American people, we will

sharply reduce oil demand by six, eight or even 10 million barrels a day.

### **Goal number two is new efficiencies and energy sources in the electrical sector.**

I will call for a national renewable portfolio standard of 30% by 2020, rising to 50% by 2040. As you know, a renewable portfolio standard, or RPS, requires a certain amount of renewable energy to be represented in the electricity sold to every consumer.

I know this is **extremely** aggressive. But with retirements of older, inefficient power plants, a new carbon cap and trade system, and growing demand for electricity from plug-in cars, we must capitalize on the low-carbon energy sources nature provides for us – wind, solar, geothermal, and biomass.

When I was chair of the Western Governors' Association, I worked closely with California Governor Arnold Schwarzenegger to build bipartisan support for 30,000 megawatts of new renewables in the West by 2015. We found that this amount – and even more – would be cost-effective and achievable.

Further, based on research like the McKinsey report today, I will push for a law requiring a 20% improvement in energy productivity by 2020.

When the Western Governors' Association studied my proposal to achieve this 20 by 20 goal, it found that we could easily achieve those savings – at a 2.5 to 1 cost-benefit ratio, saving western customers \$21 billion a year by 2020.

### **Goal three is to reduce greenhouse gas emissions at least 20% by 2020, and 80% by 2040.**

New scientific evidence shows that we must move faster than we thought to address climate change and global warming.

We must show other nations that we will cooperate with them to hold atmospheric carbon dioxide levels under a safe, acceptable level.

We will start with a market-based cap and trade system. By 2020, utilities and industry will be allowed to emit 80% as much global warming pollution as they do today, and they will have to buy rights to do so, creating a real market for pollution reduction.

It's like musical chairs for carbon. By 2050 there will be 90% fewer chairs.

When these savings are combined with savings in the transportation sector, I believe we will reduce greenhouse gas emissions overall by 30% or more by 2020.

My program allows time for businesses and utilities to prepare and adjust, and provides time for the federal government to develop a regime for safe, long-term carbon disposal, or sequestration. I believe that coal – **carbon-clean** coal – will play a role in our energy future, and that we must support the deployment of carbon-clean coal technologies here and around the world.

We **can** afford to protect the climate. Given the risks of catastrophic climate change, we **must** afford it. A small commitment could save incalculable amounts in preventing drought and natural disasters, famine and disease, and destruction of coastal areas and oceans.

### **My fourth goal is to capitalize on our strengths in science and technology.**

America is the engine room of global innovation and ingenuity. Whenever I meet our college and university students and faculty, I see vital new enthusiasm and commitment to meeting these energy and climate challenges. It's inspiring – but it is also a valuable resource.

We have strong educational and research institutions. We have the world's best-trained intellectual and academic base. Scientists and technologists from around the world want to study and work here.

That is a huge strength, one that we must not waste, and one that can nourish our growth and leadership in meeting the energy and climate challenge.

I don't generally agree with the concept of collecting large sums of federal revenue and putting them into vast funds, holding ten or fifty billion dollars a year, that the government would use to pick winners and losers in energy technology.

But I do think the federal government must play a critical role in supporting and pushing new technologies, in collaboration with scientists and investors and companies.

I believe we can create a national energy innovation trust fund with a one-time funding commitment, a fund that

should provide needed research and technology support and that will sustain itself over time by helping the private sector deploy the best energy technologies.

It is here, in science and technology, that we have the most potential to surprise ourselves with large gains reducing oil consumption and global warming emissions. We **must** invest in our world-leading institutions and programs in science and technology.

### **My fifth goal is to lead by example, making the United States a beacon of the new energy future.**

We have become a lone wolf instead of the brave eagle, at least in the eyes of the world. It is time for us to fly high again, to see the whole landscape, to be seen by the world, to represent freedom, and human rights.

As we implement these far-reaching policy changes at home, we must immediately return to the international negotiating table and support mandatory limits on global warming pollution, keeping atmospheric carbon below 450 parts per million.

Nations such as India and China are waiting to implement big changes in their energy policies because the United States hasn't committed yet. Yet they know climate protection is in everyone's interest, including their own.

My international program will include working closely and bilaterally with fast-growing nations like China, Brazil, South Africa, and India so that they use new, low-carbon technologies to meet their fast-growing demand.

To achieve this, I will cooperate with the European Union, the World Bank, the Asian partnership, agencies of the United Nations, and our allies around the world to help finance the small incremental cost of "doing it right."

Internationally speaking, we must also groom relations with our largest oil suppliers, Mexico and Canada, which supply about 20% of our oil.

My North American Energy Council will stabilize the oil and gas trade, work on a continental electrical grid, help bring energy resources and productivity to market throughout the continent, and develop a regional system for carbon trading.

I know the importance of Arctic natural gas – from Canada and Alaska – and want to help bring that relatively non-polluting, plentiful, reliable resource to market.

I also know Mexico, and believe that we can have a strong, constructive, historic relationship with that country that strengthens its economy and reduces immigration tensions.

Lastly, we should work with the Gulf nations, and our partners in consuming nations and the United Nations Security Council, to try to create a multilateral system for protecting the Gulf.

Securing the Gulf and other oil transportation routes, multilaterally, could help stabilize oil prices **and** international peace.

### **About the oil companies...**

I know people love to hate the oil companies. They have been raking in huge profits.

But I want to invite them to become **energy** companies, and invest in our thriving new energy future.

The energy industry is invited to the table, but it isn't going to run the table the way it has in the last five years.

### **In closing...**

Americans need heat and electricity in our homes, schools and workplaces. We need to get places. Americans are hurt by unpredictable and soaring energy prices.

The way out is to **get off oil**, to create **competition**, to support energy **productivity**, to maximize our strengths in **science and research**, and invest in **new technologies and energy sources**.

We **can** create a new energy future, with broad, bold strokes. And we must **sharply** reduce our global warming pollution in the process.

A brief, conceptual speech doesn't provide all the details. I know. So I hope you will go to my website and look at my new white paper on energy, security and climate.

This is the way to a **bright, strong, prosperous** future for the United States – and for the world.

I called for an energy revolution – and now, today, **I call on you to join it.**

Thanks for your time.

