Report to President Obama Recommends
New Clean Energy Strategies without Cap and Trade

Montpelier, VT— A report issued today by Clean Energy Group (CEG), a national nonprofit organization, recommends several novel energy strategies to advance emerging clean energy technologies that do not require major new federal legislation or more federal funding. These innovative proposals, which have not been part of past proposed federal energy legislation, call for reprogramming about $1 billion in existing funds and committing federal and state agencies to procure $1 billion in power from clean energy.

These strategies call for clean energy pragmatism—to overcome specific bottlenecks in technology innovation and finance—and for the federal government to work with the states in a new “clean energy federalism” partnership. They are practical and bottom-up clean energy solutions consisting of short-term measures to increase new technology investment in the long term. CEG sent this report to President Obama for his consideration, as the White House, with creative use of executive authority, could enact many of these ideas today.

The report, Innovation to Infrastructure: Clean Energy without Cap and Trade, calls for five energy strategies that are relatively small in nature but that could have large economic and environmental benefits. They are:

1. **Open and Distributed Innovation**: The Department of Energy (DOE) and other federal agencies should use new innovation strategies from the corporate sector to move clean energy from lab to market. Open and distributed innovation strategies would create energy breakthroughs outside the traditional research and development structures. DOE and other agencies should reprogram at least $100 million from existing funds to institute several experimental, corporate-style innovation programs to accelerate technology commercialization breakthroughs.

2. **Clean Energy Federalism**: The federal government should recognize that states are the key to a future clean energy transition. To that end, the federal government should invest $650 million of existing funds to support a stronger technological and financing partnership with the states to deploy clean energy throughout the nation—a new “clean energy federalism.”
3. **Bridge the Valley of Death**: In order to create commercial products from technologies that have proven success in the lab and at pilot scale, the federal government should undertake two initiatives to overcome the major obstacles to private financing of new, pre-commercial technologies: reprogram $50 million to support a negotiated collaboration with the insurance industry to explore and develop “efficacy insurance” products to reduce the technology risks of new clean energy technologies; and invest $50 million more to help state regulators develop programs for utilities to direct $1 billion of their ratepayer annual investments in power procurement for emerging clean energy technologies.

4. **Federal-State Procurement**: The DOE should lead a coalition of federal and state agencies to commit to procure at least $1 billion in power from emerging technologies such as offshore wind and marine power, technologies that now receive significant research funds.

5. **International Cooperation for Product Development and Deployment**: On a global scale, the U.S. State Department and the DOE should reprogram $100 million in existing funding commitments to support greater cooperation in technology innovation, more coordination of public clean energy investors, and a better linking of these activities with the private sector. This would support technology and finance initiatives among developed and developing countries.

The report acknowledges that, while these measures will not solve all clean energy problems, these short-term strategies are critical to overcoming major problems in the areas of technology innovation, finance, and deployment and to producing long-term success.

“In clean energy, we have tried and failed to pass top-down, big, and conventional; perhaps it is now time for bottom-up, small, and innovative,” says Lewis Milford, President of CEG and co-author of the report. “We suggest approaches that challenge the conventional wisdom of what can be accomplished in this area—ideas that focus on overcoming specific technical, financial, and policy barriers to energy breakthroughs and commercialization of clean energy technologies.”

A copy of the report and the accompanying letter to President Obama can be downloaded from the CEG website, at: [www.cleanegroup.org](http://www.cleanegroup.org).

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**ABOUT CLEAN ENERGY GROUP**

Clean Energy Group (CEG), a national U.S. nonprofit organization, promotes effective clean energy policies, develops low-carbon technology innovation strategies, and works to develop new financial tools to stabilize greenhouse gas emissions. Clean Energy Group concentrates on climate and clean energy issues at the state, national, and international levels, as it works with diverse stakeholders from governments as well as the private and nonprofit sectors. For more information on Clean Energy Group: [www.cleanegroup.org](http://www.cleanegroup.org).