



## Final Transcript

### **KIRVIN DOAK COMMUNICATIONS: National Clean Energy Summit 2.0**

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#### **SPEAKERS**

Senator Harry Reid  
John Podesta  
T. Boone Pickens

#### **PRESENTATION**

Moderator           Ladies and gentlemen, thank you for standing by. Welcome to the National Clean Energy Summit 2.0 call. At this time, all participants are in listen-only mode. Later we'll conduct a question and answer session and instructions will be given at that time. As a reminder, this conference is being recorded. I'd now like to turn the conference over to Senator Harry Reid. Please go ahead.

Sen. Reid             First of all, I want to thank John Podesta and the Center for American Progress for co-sponsoring this summit; and of course for my friend, T. Boone Pickens, for participating once again this year.

Last August we got together in Las Vegas. We are again going to be the center stage in a national discussion on clean, renewable energy. This will be on August 10<sup>th</sup> at the University of Nevada, Las Vegas. And that will bring the nation's top minds to the table to continue building a vision for sustainable clean energy economy. One that creates jobs, fuels innovation and investment, creates consumer savings for Americans and reduces our reliance on foreign oil. We've already confirmed a few people, including

Vice President Gore and Energy Secretary Chu. We'll have other names to announce as the days go on. We didn't want to do it all at once.

This is a continuation of the discussion created last year at the National Summit. This year's focus will be jobs. According to a study by the Center for American Progress and the University of Massachusetts, the combination of American Recovery and the Energy Bill being considered in Congress by investing in renewable energy can generate 1.7 million jobs nationwide —1.7 million -- which means that tens of thousands of jobs all over any place you pick, including Nevada. With our state's vast renewable resources, that is, Nevada's, there's no better place to host this summit than Nevada. And given the current economic crisis, there are few states that need the jobs and diversification more than the state of Nevada.

Quickly, we've made some serious progress since our last summit. Here are a few of the accomplishments. We have focused on transmission, transmission and transmission. Renewable energy connotes the need for transmitting this electricity to where it's needed. This is a challenge, but we were able to get a provision in the energy bill that came out of the Committee of Energy and we also have a provision in the House. As good as I wanted, no, but they're okay. It's a good start.

We passed tax breaks to make it easier for renewable energy companies to invest in job creating projects. We need to do more, but it is a step in the right direction. We appropriated more than \$60 billion in clean energy investments as part of this recovery plan. This included \$11 billion for the Smart Grid, \$5 billion for making homes more energy efficient, over \$6 billion for state and local government clean energy programs, and more than a half a billion dollars in green job training, and \$2 billion for advanced batteries – and that's so important.

We also introduced bipartisan legislation to expand and extend tax increases to start making natural gas vehicles here in America. This is the baby of Boone Pickens, it's his idea. I'm an absolute convert. I think that we need to do this. I hope we can even have an opportunity to consider doing it separate and apart from energy legislation.

Secretary Salazar, Ken Salazar, has opened the first renewable energy coordination office in Nevada, and he has designated almost 700,000 acres in the West for solar energy. And he's also working with me to designate 150,000 acres in Nevada as solar energy study areas dedicated to solar development. So this is a step in the right direction, everything we've

done. But none of this could have been done without Podesta and Pickens. And I want to call on John right now.

J. Podesta

Thank you very much, Senator. We're very pleased to be joining you and the University of Nevada at Las Vegas for National Clean Energy Summit 2.0. As the Senator noted, we had a great meeting last year, and many of the ideas generated at that summit last year are making their way – already have made their way into law through the President's American Recovery and Reinvestment Act.

The numbers that the Senator spoke to –the House passed the American Clean Energy Security Act, and they're making their way through the Senate. So that's what these meetings are all about – to try to generate ideas and information to make their way through and get into the bloodstream so that policy can be passed and the private sector can be brought to bear.

This year's summit will include a high level public roundtable to discuss policies that would further expand the markets for energy efficiency, for renewable energy and clean energy infrastructure. Each of these three sectors will be explored through the lens of job creation, consumer savings, and private investment. There will be a lot of business CEOs there because I think one of the goals of this will be to see ways in which we can get investment flowing to unclaimed markets in clean energy and energy efficiency through entities like a green bank and other ways to drive private sector investment.

Just logistically, we're going to have a morning roundtable that will be moderated by former Senator Tim Wirth, who chaired our follow-up meeting in February that focused on transmission. And it will include Senator Reid, Mr. Pickens, former Vice President Al Gore, and Energy Secretary Chu, along with Van Jones, the White House Special Advisor for Green Jobs, Danny Thompson of the Nevada AFL, and several other people who will be announced in future announcements. In the afternoon I will moderate a town hall community forum featuring Senator Reid, T. Boone Pickens and Vice President Gore.

I want to focus just for one second on energy efficiency, which will be a focus at the meeting, and then Boone's going to talk about natural gas. CAP and the Energy Future Coalition, which is chaired by Senator Wirth, will release at that time a new report on a national strategy for transforming the market for energy efficiency retrofits in buildings. We

focus on this because buildings account for almost half of all energy consumption and global warming emissions and use three-quarters of all power plant generated energy. Building efficiency retrofits are cost effective; they pay for themselves through energy savings. McKinsey estimates that we'd save \$200 billion in energy costs a year by improving building efficiency.

So our report is going to focus on how we can upgrade 50 million buildings, 40% of the nation's building stock, by the year 2020 and lay out a concrete plan for how to do it that will create jobs, deliver consumer savings, and reduce greenhouse gas emissions. And we intend to show the way that that can attract private investment into this new market by upgrading the nation's building stock.

So Boone, let me turn it over to you to talk about the role of natural gas and the tremendous resources we have to secure America's energy security through the use of natural gas.

T. Pickens

Let me begin by just saying hats off to Majority Leader Reid for his increasing leadership in energy issues and his recognition of what it can mean to job creation.

Last week was a huge week. Senator Reid filed with Senators Hatch and Menendez Senate Bill 1408 that will dramatically expand natural gas use as a transportation fuel replacement. And this is the only replacement we have for foreign oil, diesel and gasoline is natural gas. But a very, very good fuel, especially it will start on our heavy duty fleets, and that's where it should start. This piece of legislation is the most significant piece of legislation that I've seen in 40 years as far as energy is concerned.

There's a lot of talk about climate change and cap and trade. To me those are important subjects, but they really don't do much for what I'm after, which is solving the national security threat associated with ever increasing dependency on foreign oil. We have such an abundance, and I want to make this point, because I know what I'm talking about, that we have such an abundance of natural gas in America at such an ideal time, and Senator Reid and I have spent hours talking about this subject, but we have 2,000 trillion cubic feet of natural gas. That was in a study released less than two weeks ago by the Colorado School of Mines – a very good university – a very good energy school.

And so 2,000 trillion, what does it do for us? That would move us to the top in the world in natural gas reserves. And if you took the 2,000 trillion and converted it to oil, which is a common conversion in the industry, you call them BOEs, barrels of oil equivalent, and that would convert to 350 billion barrels of oil, which would be more oil equivalent than the Saudis have in oil. So this has changed our country at a critical time for us and Senator Reid and John and so many others are getting very familiar with this. And it's going to be an unbelievable opportunity for our country. Thank you.

Sen. Reid Thank you very much, Boone and John. I'd be happy to take questions from our press. All we'd like for you to do is identify yourself and we'll be happy to respond the best that we can.

I will say that I spoke yesterday to the mayor of Los Angeles, that huge, huge city. He is really interested in attending our summit, as is I talked two days ago to Governor Schwarzenegger, and he told me that if that budget crisis is finished in California, he'll come over. And I think it will be by then.

We're ready for questions, everybody.

Moderator Our first question is from Ayesha Rascoe with Reuters. Please go ahead.

A. Rascoe Hi, this is Ayesha Rascoe from Reuters. I was wondering, Senator Reid, you said that you were interested in bringing that nat gas bill to the floor even outside of the energy package. And I was wondering if you could talk a little bit more about that.

Sen.Reid What I said is that I think it's so important that we do something sooner rather than later that I've talked to Boone and I'm going to see if I can arrange any time for us to do that separate and apart from the Energy Bill. If I had my druthers, that's what I would do. Sometimes I don't have my druthers here, but that's something I'm contemplating.

A. Rascoe Okay, so you would just do it by itself and not attach it to anything else?

Sen. Reid I'm thinking about doing it, yes.

A. Rascoe Okay.

- T. Pickens            It's a huge issue and the quicker we can get started on using natural gas instead of foreign diesel, the better off we're going to be.
- A. Rascoe            Alright, thank you.
- J. Podesta            For those of you who are not used to these gigantic numbers, the proven reserves of natural gas basically went from 200 trillion cubic feet to 2,000 trillion cubic feet within just in what's being analyzed this year. So this is a tremendous resource for our country that we have to utilize and it will not only I think get us off the dependence on foreign oil but it could dramatically both reduce Co2 emissions if it's displacing dirtier fuels, but it also will help clean up as it's used as motor vehicle fuel help clean up particularly urban air pollution.
- Sen. Reid            John, if I could just add to this just a little bit. It seems like it was just yesterday, but it was five years ago that John Huntsman Sr. was in my office lamenting the fact that companies who depended on natural gas in America were going to have to start moving overseas because we were out of natural gas. And now that's completely flipped around. Right, Boone?
- T. Pickens            That's exactly right. And where it came from is from American technology. Our service companies in the gas field have perfected a way to fracture the shales and get gas from them, and every shale basin is a prospect in America. And we have dozens of them.
- Sen. Reid            Next question.
- Moderator            From the line of Nicole Lucht with *In Business Las Vegas*.
- N. Lucht            Hi. I was just wondering, you're going to have Danny Thompson there. Do you expect to have anybody from the Labor Department there as well?
- Sen. Reid            We're still looking at that. I've talked to Secretary Solis, and we're working on that.
- N. Lucht            Okay, thank you.
- Moderator            Our next question is from Jill Lawrence, Politicsdaily.com.
- J. Lawrence            Hi. I was wondering if you're going to be talking about nuclear energy at all at your conference.

- Sen. Reid            I'm sure it will come up. People have to appreciate the fact that the House Bill as they have passed it has a nuclear component in that. And I've always told everybody that just because I'm opposed to what was going on at Yucca Mountain doesn't mean that there can't be a nuclear component in what we do. We just have to do it the right way.
- Moderator            A question from Siobhan Hughes with *Dow Jones Newswire*.
- S. Hughes            Hi. Senator Reid, what are your impressions about hydraulic fracturing legislation that's being pushed by Senator Corker?
- Sen. Reid            To be honest with you, I'm generally familiar with that, but not very familiar with it. So I think rather than try to talk about his legislation, I should be more familiar with it than my ability now to answer this question. But if you – what is your name?
- S. Hughes            It's Siobhan Hughes with *Dow Jones*.
- Sen. Reid            We'll get back to you, okay? It will probably be maybe even the day after tomorrow, but I'll get back to you.
- S. Hughes            Thank you.
- Sen. Reid            Okay.
- Moderator            We have a question from Tana Kantor with *The Green Economy*.
- T. Kantor            Hi. I actually have two kind of related questions and they're both about investments. A lot of the kinds of projects that you guys are talking about are difficult to fund, they're not that traditional technology model. I'm wondering when you say that there's going to be this round table talking about how to get investment to drive the private sector, what are the kinds of things that you're thinking about?
- Sen. Reid            Well, Boone, I'll have you finish this, but I just want to say this: I just had a memo cross my desk from John Doerr. John Doerr is, there might be a bigger venture capitalist in green energy than John Doerr, I just don't know who it is. This is his life, and he's a very wealthy man with a lot of connections. That's one example of where the money's going to come from. There are a lot of John Doerr's around the world looking for the right deal. Boone?

T. Pickens                    This is the way I see this structured. You're going to give some help when you – let's go to the heavy duty vehicles. And you're going to - what I'd like to see happen as diesel – when you replace a diesel 18-wheeler, you do it with a natural gas truck or just say domestic fuel is fine. But use domestic fuel on future purchases of 18-wheelers. And with that, out of the Senate and House bill I think that there will probably be \$65,000 there that will be given to incent and that is the incremental cost difference between the trucks, until you get up into volume there is going to be an incremental difference.

But when that happens, every gallon of natural gas you use you are going to reduce a gallon of foreign oil. And so when that occurs, you are going to start to peel off of the \$400 or \$500 billion a year that we pay for foreign oil. So when you say, "Who's going to pay for it?" I view it as the people who are going to pay for it are the ones that we've been buying foreign oil from. And I can't imagine any better way to pay for it than to keep that money at home instead of sending it offshore.

Sen. Reid                    Boone –

J. Podesta                    If I could add . . .

Sen. Reid                    Please do, John.

J. Podesta                    I'd just add one more word. I think that both the Senate passed energy legislation and the House passed bill have provisions in them for what we call a green bank – a clean energy deployment administration that would actually use innovative financing mechanisms to free up the flow of capital to these clean energy projects.

One of the problems in the way the projects are funded today is that the payout times, which are often quite short, are beyond what the private sector is lending money for. So we think with just a little bit of help from the government through a revolving fund the money would come back to the taxpayers. We could get a lot of financing flowing to everything from the building efficiency projects that I talked about to infrastructure projects on the transmission side to these technology projects that Boone's talking about. That along with the kind of tax incentives to create vehicles on the natural gas side could really create a cycle of innovation and invention which will create jobs and power the economy forward.



- Sen. Reid                   And I would just add this, everybody. To get the picture of how big this is, switching our 18-wheelers to natural gas, think how big this is. I met with the head of Swift Trucking. Two years ago, they were buying 175 18-wheelers every week. That's a lot of trucks.
- T. Pickens                 Twenty-three a day John always told me that they were buying and that was a year ago. But when you start replacing that, the natural gas is 50% cleaner than the diesel is and that is a huge advantage from a carbon standpoint for us. There are 6.5 million 18-wheelers in the United States and on a model we gave to the transition team it was for 350,000 of them. Go with 350,000, see what we have and go forward. I think that's been altered a bit, but the 350,000 actually reduce our dependency on foreign diesel by 4% and it would create 420,000 jobs. So there's no question, like Senator Reid said, this is a big deal.
- Moderator                 Our final question is from John Kutyl with *Washington Post*. Please go ahead.
- J. Kutyl                    Hi, Senator Reid. I was recently talking with the Wind Energy Association and the spokesperson mentioned that renewable energy standards looking out had been watered down in the House version of the climate bill. I'm wondering what kind of energy standards we're looking at in the Senate bill and whether you think they'll be enough to inspire capital investment in the next 10 to 20 years.
- Sen. Reid                 We hope to increase what we already have seen. We hope to do that on the floor. I think we have a shot at doing that.
- J. Kutyl                    Thank you.
- Sen. Reid                 Thank you, everybody; John, Boone, thanks a lot.
- J. Podesta                 Thank you, Senator. Thanks for ...
- T. Pickens                 Sure.
- Moderator                 Ladies and gentlemen, that does conclude your conference for today. Thank you for your participation and for using AT&T Executive TeleConference. You may now disconnect.