

**Prepared Statement of Hon. Philip N. Bredesen, Executive Chairman of Clearloop Corporation and Former Tennessee Governor before the House Select Committee on the Climate Crisis “Making the Case for Climate Action: Creating New Jobs and Catalyzing Economic Growth”**

**Tuesday, April 20, 2021 12:00 p.m. ET**

First, thank you Chair Castor, Ranking Member Graves and each of the Select Committee members for the invitation to be here today.

Policy debates in the public sector seem to be always surrounded by a lot of noise and irrelevant information—it’s the nature of the beast—but climate action seems to attract even more than most. As a former Governor, I sympathize with the challenge you face: to take a complex issue like this, cut through the noise and try to see the underlying big shapes.

In my testimony today, I want to step back with you and describe to you what I believe to be a couple of those big shapes.

The first one is this: the urgent need to better focus our effort. I respectfully say to everyone who cares about climate action: stop chasing every glittering new idea and instead ask a question. There’s a lot of ideas around, but which of them will really make a difference? Where’s the low-hanging fruit?

That question has an answer: The lowest-hanging fruit is the generation of electric power. Power generation, even after all the progress we’ve made with renewables and conversion to natural gas in the past decade, still creates 25% of all greenhouse gas emissions in the United States.<sup>1</sup> To put that in perspective, American power generation produces more greenhouse gases than every car on the road and every airplane in the sky. Half-again as much. The coming boom of electric cars and the power demand that follows will make the carbon emissions from our power sector even worse.

The electric grid is an enormous opportunity for decarbonization and an easy one to clean up with the tools that are already in place. The technology is mature—nobody has to invent anything. Solar panels, for example, are efficient, easy to manufacture and continue to get better. And the economics are there also: solar power today is the low-cost alternative. Renewable energy has been around a while; it’s no longer this year’s show-horse. But it’s what we need right now: a genuine workhorse we can ask and trust to do the job.

The second big shape is simply the one that this Select Committee is addressing: that climate action is a potent tool for economic development and job creation. In business terms, climate action shouldn’t be thought of as a cost center, but as a revenue and profit center. A coalition built around legislative and regulatory action to compel climate action is too narrow. Fortunately, there’s a far broader one waiting to be built around creating jobs, a new tax base, and opportunities for the next generation of entrepreneurs. The challenge we have is to convince skeptics that the economic benefits are real and not just talking points.

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<sup>1</sup> <https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks>

While there are many opportunities to create jobs and wealth through climate action, renewable energy can be particularly effective in this regard. Solar generation is a good example: by its nature it is highly distributed, with the benefits spread broadly across the country rather than being dotted in a few places like new factories. It needs large tracts of land that are not too expensive, and that means rural and often poorer communities are great candidates for these investments. In those counties, it creates much appreciated local jobs while it is being built – a large-scale solar facility might use 500 or 600 workers during its construction.

Once a solar project is built, it provides tangible local benefits for decades. The good news is that clean energy has been on the rise year over year over the past decade. In fact, after leaving the governor’s office a decade ago, I helped found a company, Silicon Ranch, that today boasts over 1 GW of owned and operated solar projects across the U.S.

With Silicon Ranch, we built solar farms across the South where they oftentimes become the largest taxpayer in the county the day they open. In some of these communities, a solar power plant is the first substantial industrial investment in generations. The taxes the project pays go directly to badly-needed new investments, as a solar plant uses few public services – it adds no costs to law enforcement, or fire protection, or the school system. This led to a county giving its teachers a raise as a direct result of the new tax revenues produced by the solar project investment.

In Georgia, Governor Kemp, a conservative Republican who has expressed deep skepticism about global warming, has come to several of our announcements. He comes because he’s seen how these clean energy projects are boosting some of the poorer rural counties in his state. His economic development team prioritizes solar development in Georgia for precisely this reason.

The way in which energy is generated in America is undergoing a fundamental shift that will continue for decades. Clean energy growth has been fueled by private sector investment with large tech companies and manufacturers becoming the largest purchasers of renewable energy projects through Power Purchase Agreements. In fact, 2020 was the third consecutive year for record-setting corporate investment in new renewable energy projects in North America.<sup>2</sup>

Yet, the distribution of clean energy investments is often disjointed and uneven. In the United States, the simple act of turning on the lights or plugging in your electric vehicle can have a significantly bigger carbon impact if you live in Nashville, Tennessee, than if you lived in San Francisco, California. That’s because the electric grid is broken up into several grid regions, all with a different mix of power sources.<sup>3</sup> In fact, every megawatt hour of electricity consumed by the California Delegation’s constituents generates about 500 lbs. CO<sub>2</sub>, while constituents in

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<sup>2</sup> <https://rebuyers.org/deal-tracker/>

<sup>3</sup> [https://www.nytimes.com/interactive/2020/10/28/climate/how-electricity-generation-changed-in-your-state-election.html?utm\\_campaign=Carbon%20Brief%20Daily%20Briefing&utm\\_content=20201029&utm\\_medium=email&utm\\_source=Revue%20Daily](https://www.nytimes.com/interactive/2020/10/28/climate/how-electricity-generation-changed-in-your-state-election.html?utm_campaign=Carbon%20Brief%20Daily%20Briefing&utm_content=20201029&utm_medium=email&utm_source=Revue%20Daily)

Chair Castor's and Ranking Member Graves' districts get hit with almost double the carbon pollution every time they flip on the lights for the same amount of time.<sup>4</sup>

Two years ago, I helped co-found a startup called Clearloop with the goal of cleaning up the grid and expanding access to clean energy, starting in our own backyard. After realizing how partisan politics were corroding common sense action, I partnered with two younger Tennesseans, who also believed that we shouldn't wait around for others to help, instead we needed to take matters into our own hands. We fundamentally believe that the innovation and benefits of new clean energy investments should reach all communities around our country equally. We recognized that between tech companies and small businesses, there are lots of companies that want to take climate action, but need more ways to invest in these new clean energy projects .

The world of corporate sustainability is full of well intentioned people, but many traditional climate solutions have simply nibbled at the edges of climate change with programs that lack transparency and bold action. Clearloop partners with companies big and small to offset their carbon footprint and expand access to clean energy by cleaning up the grid with the construction of new solar capacity in American communities otherwise getting left behind. Clearloop is shifting the way corporate investments reduce carbon by bringing solar projects to regions of the country with disproportionately carbon-intense electricity generation (i.e. dirty grids).<sup>5</sup> We believe doing things this way will achieve deeper, and faster emissions reductions. It will also bring good-paying, clean energy jobs, and spur economic investment in regions of the country that vitally need them.

This week, Clearloop is announcing that Silicon Valley based Intuit, Philadelphia based Dropps, Seattle based CoolPerx, and Nashville's NHL team, Nashville Predators are partnering with us to help fund the construction of a 1 MW solar project in Jackson, Tennessee. A city nestled in between Memphis and Nashville and at the heart of rural west Tennessee.

We're just getting started and have a long way to go as a small startup, but what we're proving with Clearloop is that corporate climate action can spur real economic investment in communities looking to attract more investment and talent. By being intentional about where we are building these solar projects, focusing on decarbonization, but also an emphasis on distressed communities, these "unsexy" infrastructure investments are the vehicle for growing the tax base in communities, and building workforce development programs for trades like electricians.

If we focus, and use this change to build American infrastructure where it's most needed, we can help the American people, our nation and our planet.

How can Congress help? Here are some practical steps, not politicized overarching promises or big spends:

- Carve out and cap the capital gains taxes for landowners selling land for clean energy projects.

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<sup>4</sup> [https://www.epa.gov/sites/production/files/2021-02/documents/egrid2019\\_summary\\_tables.pdf](https://www.epa.gov/sites/production/files/2021-02/documents/egrid2019_summary_tables.pdf)

<sup>5</sup> <http://map.clearloop.us/>

- Allow FERC to reward utilities that publicize their price for energy for longer than 5 years.
- Reward utilities that publicly share the load data for interconnection and make the queue system public and transparent.

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