

Local Power.

Local Power Brings "Climate Works Bonds" \$300B Program to President-Elect Obama *Commensurate Scale, Accelerated Speed*

Local Power has released a proposal to the Obama administration that can accelerate on a national scale the physical growth of transformation to a green energy system, as planned by San Francisco, Marin County and other California cities. *We are seeking endorsements at signpetition.org.*

Local Power's proposed Climate Works Bonds program provides for a major federal role in supporting a growing trend of municipal leadership on climate and energy policy, from Community Choice Aggregation, H Bonds, 811 Bonds and novel uses of Mello Roos bonds by US municipalities and county governments.

The public works, economic development, and green energy themes of your emerging administration can be realized through "Climate Works Bonds." Local Power seeks adoption and implementation of a nationwide, region-by-region rollout of Climate Works. This financing is enough to support green energy conversions of hundreds of San Francisco-scaled projects.

The best assurance of conversion to a clean energy infrastructure is to finance and build it. To accomplish this task, President-elect Obama must design a public works program to support the hundreds of municipal governments that are leading the climate protection and renewable energy movements in the United States.

We propose that the Federal Government direct \$300 billion in financial resources—appropriate to the scale of the challenge—toward large scale transition to a clean energy economy through three mechanisms:

1. Allow local governments to issue \$100 Billion in zero-interest bonds, using federal tax credits in lieu of interest payments, for renewable energy and demand-reduction infrastructure.
2. Provide up to \$300 billion Federal "Municipal Clean Energy Bond" (MCEB) insurance to lower interest rates on municipal bonds and provide a safe market for investors.
3. Mandate that participating local governments devise local clean energy and climate protection plans that direct public and private revenue streams toward climate protection.

A U.S. Climate Works Program on a Scale and Speed Commensurate With the Magnitude of the Climate Crisis

The proposed “Climate Works” municipal bonds would be subscribed on a matching basis, meaning that local governments would have to 1) become financing partners in a broader clean energy program, and 2) develop comprehensive climate protection plans that use the zero-interest bonds as seed money to bring in larger public and private financial commitments. Municipalities have authority to issue low-interest bonds that are key to reducing the cost burden of capital intensive renewable energy projects. These funds are routinely used to finance local public works such as bridges and hospitals.

Participation by municipalities could take a number of forms in different energy sector markets, which are often defined by state and local law. In recent years, municipally-owned utilities and municipalities where customers are served by investor-owned gas and electric utilities, have developed financing mechanisms for renewable and energy demand-reduction infrastructure, using low interest bonds.

The 2005 US Energy Policy Act made \$800 million available for municipal governments to finance local renewable energy projects, using zero-interest bonds where investors were awarded generous tax credits in lieu of normal interest payments. The program was subscribed in a matter of months, proving that local governments are willing to invest in local clean energy projects if the federal government creates the right policy structure. “Climate Works” Bonds would require matching funds in order to multiply the impact and ensure accountability by participating local governments.

The program would also attract significant private investment in new green energy facilities, creating not an incentive or a target, but a co-financing bank to support a planned conversion of the Nation to green power within five to ten years.

Local Power invites you to endorse by signing our petition at signpetition.org

