

November 4, 2009

Senator Debbie Stabenow  
133 Hart Senate Office Building  
Washington, DC 20510

Senator Max Baucus  
511 Hart Senate Office Building  
Washington, DC 20510

Senator Mark Begich  
144 Russell Senate Office Building  
Washington, DC 20510

Senator Sherrod Brown  
713 Hart Senate Office Building  
Washington, DC 20510

Senator Kirsten Gillibrand  
478 Russell Senate Office Building  
Washington, DC 20510

Senator Tom Harkin  
731 Hart Senate Office Building  
Washington, DC 20510

Senator Amy Klobuchar  
302 Hart Senate Office Building  
Washington, DC 20510

Dear Senators Stabenow, Baucus, Begich, Brown, Gillibrand, Harkin, and Klobuchar:

On behalf of the Coalition for Emission Reduction Projects (“CERP” or the “Coalition”), we are writing to thank you for your hard work and leadership in developing your recently released offsets legislation. We believe your offset provisions would create the framework for an effective and environmentally rigorous offsets program, ensuring that a sufficient supply of high quality offset credits will be available to provide critical cost-containment within a federal cap-and-trade program and to serve as a bridge to a low-carbon future.

We feel your legislation is particularly important in that it achieves the following objectives:

- Facilitates the generation of offset credits during the crucial early compliance periods of the cap-and-trade program by awarding federal offset credits in exchange for credits earned through approved state-based and voluntary offset programs;
- Recognizes the importance of utilizing familiar and easily implemented offset project types with high environmental integrity to generate early emission reductions;
- Provides a workable framework for forestry offset projects, which are likely to be the major source of domestic offsets in the long term, and avoids superfluous penalties for natural sequestration reversals when the cap is already protected;
- Makes real progress towards creating a workable division of authority between EPA and USDA that takes advantage of each agency’s important areas of expertise while still producing a functional and efficient regulatory oversight regime; and

- Creates a pathway to enable early investment in reducing tropical deforestation, which will produce cost-effective emission reductions and protect vital ecosystems and unique plant and animal species.

We greatly appreciate your efforts to craft an environmentally rigorous and practical offsets program that will enable all sectors of the U.S. economy to participate in greenhouse gas emission reduction efforts, and that will rely on the power of the market to drive emission reductions where they can be achieved at the greatest efficiency and least cost. We commend you for providing for science-based offset program rules and methodologies that will ensure that offsets are measurable, additional, verifiable, and enforceable, while minimizing the transaction costs involved in developing offset projects. We applaud you and your staff for working to bring senators from both sides of the aisle to the table, and for your willingness to engage with interested parties to improve this important legislation. We look forward to continued work with you in the future.

From the members of the Coalition for Emission Reduction Projects:

<i>Alpha Natural Resources</i>	<i>Dominion</i>	<i>Deere &amp; Co.</i>
<i>American Electric Power</i>	<i>DTE Energy Company</i>	<i>Leaf Clean Energy Company</i>
<i>Blue Source</i>	<i>Duke Energy</i>	<i>Macquarie Bank</i>
<i>C-Quest Capital</i>	<i>EcoSecurities</i>	<i>Natsource LLC</i>
<i>C-Trade</i>	<i>Element Markets</i>	<i>Noble Carbon Credits</i>
<i>Camco Global</i>	<i>El Paso Corporation</i>	<i>PG&amp;E Corporation</i>
<i>Deutsche Bank</i>	<i>Environmental Credit Corporation</i>	<i>Verdeo Group</i>
	<i>Equator LLC</i>	

For more information, please contact:

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Cc:

Senator Harry Reid (D-NV), Majority Leader

Senator Mitch McConnell (R-KY), Minority Leader

Senator Jeff Bingaman (D-NM), Chairman of the Energy & Natural Resources Committee

Senator Lisa Murkowski (R-AK), Ranking Member, Energy & Natural Resources Committee

Senator Barbara Boxer (D-CA), Chairman of the Environment & Public Works Committee

Senator Jim Inhofe (R-OK), Ranking Member, Environment & Public Works Committee

Senator John Kerry (D-MA), Chairman of the Foreign Relations Committee

Senator Richard Lugar (R-IN), Ranking Member, Foreign Relations Committee

Senator Blanche Lincoln (D-AR), Chairman of the Committee on Agriculture, Nutrition & Forestry

Senator Saxby Chambliss (R-GA), Ranking Member, Committee on Agriculture, Nutrition & Forestry

Senator Jay Rockefeller (D-WV), Chairman of the Committee on Commerce, Science & Transportation

Senator Kay Bailey Hutchinson (R-TX), Ranking Member, Commerce, Science & Transportation Committee

Senator Chuck Grassley (R-IA), Ranking Member, Finance Committee