Testimony of James L. Robo
President and Chief Operating Officer, FPL Group

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Chairman Markey, Ranking Member Upton and Members of the Committee:

Good afternoon. My name is Jim Robo, and I'm the president and chief operating officer of FPL Group, the largest producer of renewable energy in North America. It is my pleasure to be here today to talk about why it is imperative to enact a federal Renewable Electricity Standard this year to accelerate the growth of the renewable energy industry.

FPL Group, which was just named No. 1 on Fortune magazine's list of the "most admired" electric power companies for the third year in a row, has two main subsidiaries. NextEra Energy Resources, our competitive energy company, has operations in 25 states and Canada and leads the U.S. in the production of electricity from the wind and sun. We have invested nearly $10 billion to build the largest wind and solar energy business in the nation. At nearly 6,400 megawatts, NextEra Energy Resource's wind fleet can power approximately 1.5 million homes and makes up a quarter of the entire U.S. wind energy market. NextEra Energy Resources is also the global leader in solar energy production, operating the largest solar power plants in the world in California's Mojave Desert.

Florida Power & Light Company, our utility subsidiary, serves 4.5 million customer accounts in Florida and is one of the country's largest rate-regulated electric utilities. FPL has the No. 1 energy efficiency program in the nation, and within the past year has announced plans to build 110 megawatts of solar power in Florida, enough to vault the state into 2nd place in the nation in total solar production. Just this week in Miami, FPL announced one of the country's largest deployments of smart meters on the way to upgrading all 4 million residential customers in the state within five years. This initiative will make FPL a national leader in deploying the "smart grid" technology needed to improve energy efficiency and reduce carbon emissions.

Together, the FPL Group companies have one of the lowest CO2 emissions rates in the nation. In fact, if every utility were as clean as FPL Group, carbon dioxide emissions from the electric power sector would be reduced by 49 percent and total U.S. carbon emissions would be reduced by 20 percent. This would be equivalent to removing 209 million cars from the road, roughly 80 percent of all of the vehicles in the United States.

Despite its tremendous growth over the past decade, renewable energy's potential remains astounding. Each year, enough solar energy strikes 8,000 square of miles of the Mojave Desert to meet the annual electricity demand of the entire United States. Similarly, enough wind sweeps across the Dakotas each year to meet more than half of the nation's electricity needs. The United States has barely begun to tap the potential of this vast – indeed, nearly limitless – energy supply.

And we must tap it, for renewables are the only energy source that can directly and quickly address the energy and environmental challenges facing America. To that end, it is vital that Congress enact a federal Renewable Electricity Standard as outlined in "The American Clean Energy Security Act of 2009," and that it do so this year.

A Renewable Electricity Standard, or RES, is essential to address the threat of climate change. That threat is not just environmental. It is economic. Those who say the cost of addressing climate change is too high often assume that the alternative – doing nothing – is free. On the contrary, unchecked climate change could saddle the United States with economic losses of $271 billion by the year 2025, according to a Natural Resources Defense Council study. That would amount to $2,000 for every American family. As the only renewable forms of energy that produce zero greenhouse gas emissions with no waste, wind and solar power are essential to countering the worst potential effects of climate change.

A Renewable Electricity Standard will also help create the clean-energy economy of the future. Many countries are making bets that the world of the future will thirst for low-carbon energy the way it does for oil today. The United States cannot afford to remain on the sidelines while the renewable energy industry and jobs are created elsewhere. We are already falling behind Europe in this area – for example, nearly every one of FPL Group's largest competitors in renewable energy development is from outside the United States.

As a company, FPL Group has made a significant commitment to renewable energy as well. We have built our wind and solar business from fewer than 500 megawatts a decade ago to more than 6,800 megawatts today, a more than 10-fold increase. Our renewable energy investment has grown from less than $1 billion to more than $10 billion over the same period of time, and we are prepared to expand it further.

But in order for that expansion to occur, the renewables industry needs certainty and utility decision-makers need a sense of urgency. In the electric power industry, we make capital expenditure decisions with a 30- to 40-year time horizon. We cannot spend the billions of dollars necessary to build a clean-energy economy without assurance that demand for low-carbon electricity will remain robust. As Energy Secretary Stephen Chu said in *The New York Times* this past Sunday, "In the case of a more mature technology

like wind, what the government can best do is provide some stability so the companies can make long-term investments that will develop the wind industry and the wind turbines."

A federal RES with timelines extending to 2039 is the clearest way to signal to the investment community that demand for renewables will continue and to create the certainty needed for investment. Moreover, the targets that utilities must meet along the way will provide the sense of urgency that is needed to prompt action. The best incentive to ensure timely and proactive utility decision-making around renewables is a reasonable yet firm target.

A federal RES is also essential to help drive down the cost of renewables over time. Make no mistake: renewables are becoming more competitive every day, despite the fact that they are at a competitive disadvantage to fossil fuels whose environmental impacts are excluded from their price. For example, the cost of wind power has fallen by roughly 25 percent over the past decade, even as the average electric bill in the United States has risen by nearly 50 percent. In addition, FPL Group has seen the cost of installed photovoltaic solar power fall by more than 20 percent in the last year alone. We firmly believe that renewables can ultimately achieve grid parity with fossil-based generation. But for that to happen, it will take a dramatic expansion of the industry of the kind that an RES would spark.

Paradoxically, this expansion will have a positive effect on the price of fossil fuels as well. Every kilowatt hour of electricity generated by renewables is a kilowatt hour not generated from coal and natural gas, and that reduction in demand at the margin will exert downward pressure on the price of fossil fuels.

Another advantage of a federal RES is that it will ensure that only the most cost-efficient renewables get built. The current patchwork of 30 different state RPS regimes is not only cumbersome and costly, but it also creates incentives for bad decisions. For example, many states require only in-state renewables to be used, even if they are far more expensive than renewable energy purchased from elsewhere. It's the equivalent of forcing grocery stores in Maine to sell oranges grown only in Maine. This kind of protectionism between the states has been passé since the Constitution replaced the Articles of Confederation more than 200 years ago.

A federal RES is also an essential step in the creation of a truly national transmission grid that can carry emissions-free energy from the plains and deserts where it is generated to the cities where it is consumed. Just as renewable energy developers need the certainty of demand that a federal RES would provide to build more wind farms and solar projects, transmission developers need that same certainty in order to invest in new high-voltage lines.

Let me close by emphasizing the urgency to act. I am not one to claim that renewables are the only solution to America's energy and environmental challenges. Carbon capture and storage (CCS) and nuclear power are both legitimate ways to produce emissions-free electricity. The problem is one of timing. Additional nuclear energy is probably a decade away, and it is uncertain when CCS can be commercialized in a

cost-effective way. That leaves renewables, along with enhanced efficiency, as the best near-term solutions to the challenges we face.

I know that not everyone agrees that climate change is a serious threat. But even if they are right and the prevailing science is wrong, investing in renewable energy still makes sense for America. It will replace a finite source of energy – fossil fuels – with the infinite energy of the wind and sun. It will result in cleaner air. It will conserve precious water resources. It will strengthen our energy security in a volatile world. And it will stimulate the development of a clean-tech industry poised to become an important engine of future economic growth given the global shift toward low-carbon energy.

Last month President Obama said that his Administration "will be pursuing comprehensive legislation to finally end our addiction to foreign oil and prevent the worst consequences of climate change, while creating the incentives to finally make clean energy the profitable kind of energy in America." Mr. Chairman, "The American Clean Energy and Security Act of 2009" is an excellent blueprint for action, and we look forward to working with the Committee to ensure prompt passage this year.

Thank you for the opportunity to testify. I would be pleased to answer any questions you might have.