

# YEAR IN REVIEW 2010



**Institute for 21st Century Energy | U.S. Chamber of Commerce**



**[www.energyxxi.org](http://www.energyxxi.org)**

# ENERGY INSTITUTE POLICY PLATFORM

- I. Aggressively Promote Energy Efficiency
- II. Reduce the Environmental Impact of Energy Consumption and Production
- III. Invest in Climate Science to Guide Energy, Economic, and Environmental Policy
- IV. Significantly Increase Research, Development, Demonstration, and Deployment of Advanced Clean Energy Technologies
- V. Immediately Expand Domestic Oil and Gas Exploration and Production
- VI. Commit to and Expand Nuclear Energy Use
- VII. Commit to the Use of Clean Coal
- VIII. Increase Renewable Sources of Electricity
- IX. Transform our Transportation Sector
- X. Modernize and Protect U.S. Energy Infrastructure
- XI. Address Critical Shortages of Qualified Energy Professionals
- XII. Reduce Overly Burdensome Regulations and Opportunities for Frivolous Litigation
- XIII. Demonstrate Global Leadership on Energy Security and Climate Change



## THE FOUNDATION

The Institute for 21st Century Energy was founded on the principle that energy is vital to our national and economic security. In 2008, the Energy Institute unveiled a policy platform of nearly 90 measureable energy and environmental recommendations for the new Administration and Congress. Over the past two years, dozens of these recommendations have been introduced in bills pending before the U.S. Congress or acted upon by the Administration. These key policy principles continue to inspire new activities and thought leadership and further validate the Energy Institute's mandate in Washington, D.C. and around the country.





Dear Colleagues,

I am honored to present an overview of the Institute for 21st Century Energy's efforts in 2010. Against a backdrop of continued economic challenges, in many ways similar to the year before, the Energy Institute continued to educate audiences on America's energy realities and promote pro-growth energy and environment solutions. We expanded our reach to engage new advocates in communities all across the country and, in inventive and resourceful ways, brought their voices to Washington in a pivotal election year.

Traveling to 30 states showed us what Americans have said in poll after poll—they are disillusioned with our nation's policymakers. In 2010, they wanted to see policies enacted that would hit as close to home as possible, giving people jobs and keeping the cost of living low. Instead, they got misguided action that not only missed the mark, but actually had immediate, devastating effects on what matters most to Americans—their livelihoods. The flurry of lame-duck legislative activity at the end of the year illustrated that policymakers got the message; but meaningful action on energy remained elusive.

This past year brought tragedies and challenges, especially in the energy arena. These experiences highlight the serious obstacles our nation faces and how vital energy is to our way of life. At the same time, it became abundantly clear that our energy challenges should be addressed with well reasoned policies rather than snap decisions that would punish the economy.

Today, our energy realities face even steeper challenges. In the new decade, we must move forward and the private sector can help lead the way. The Energy Institute pledges to remain a thought leader in the debate, bringing together international partners and organizations nationwide to advance energy security and promote solutions that make sense for America and its businesses and citizens. We thank you for your continued support, and we count on you to be part of this important debate throughout the year.

Sincerely,

Karen Alderman Harbert



*“The U.S. Chamber’s Institute for 21st Century Energy is a leading voice for common sense energy policies in Washington and across the nation. The Energy Institute can be counted on for timely, insightful analysis on domestic and international energy issues, and for innovative new approaches to understanding our current challenges and their solutions. As the policy debate in Washington continues to evolve, I know that the Institute for 21st Century Energy will be at the forefront of efforts to ensure a more secure energy future.”*

Thomas J. Donohue  
President and CEO  
U.S. Chamber of Commerce

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# PROMOTING A PRO-GROWTH ENERGY PLATFORM

- » Engaged Congress, Governors and senior Administration officials, advocating for sensible energy policies that spur economic growth.
- » Drove meaningful action on critical issues affecting businesses across the nation, promoting the private sector as part of the solution to our energy challenges.
- » Took legal action when necessary and fought for predictability for all businesses.
- » Led the charge to lift the offshore drilling ban, generating support and organizing advocates from affected areas.
- » Advocated for comprehensive energy policy, promoting energy from all sources as a commonsense approach.



AS THE ECONOMY

CONTINUED TO

STRUGGLE AND

UNEMPLOYMENT

REMAINED HIGH, THE

ENERGY INSTITUTE

ENGAGED CONGRESS,

GOVERNORS

AND SENIOR

ADMINISTRATION

OFFICIALS ADVOCATING

FOR SENSIBLE ENERGY

POLICY SOLUTIONS

AS A GATEWAY TO

ECONOMIC GROWTH

AND STABILITY.



THE PEW RESEARCH CENTER FOR THE PEOPLE AND THE PRESS

JANUARY 25, 2010

## Public's Priorities for 2010: Economy, Jobs, Terrorism

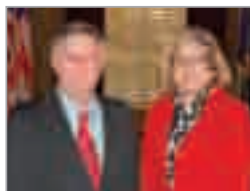
ECONOMY	83%
JOBS	81%

The economy and jobs remained at the forefront of our national concerns in 2010. As policy agendas in Washington shifted and oftentimes were unfocused, the Energy Institute continued to advocate for pro-growth energy policy solutions that increase energy security, put Americans back to work, and promote investment.

Bringing together leading policymakers and experts from around the country and the world, the Energy Institute fostered dialogue on forward-looking, rational policies that would stimulate the economy and prevent further harm to American businesses and consumers.

The Energy Institute continued to promote its energy policy agenda on Capitol Hill, with Governors, and other senior officials, delivering a pointed message that energy is inextricably linked to the economy. Advocating smart and well-researched policies, Energy Institute officials pointed to the much-needed revenue that such policies would generate for all levels of government as well as jobs for hard-working Americans—exactly what this country desperately needs.

## REACHING GOVERNORS ON CRITICAL ISSUES



Harbert discusses energy policy with Nebraska Gov. Dave Heineman (left) and Ohio Gov. Ted Strickland (right).



North Dakota Gov. John Hoeven visits the Energy Institute.

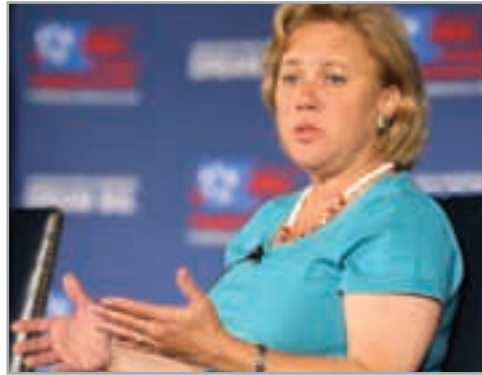


Missouri Gov. Jay Nixon and the Energy Institute deliver remarks on the future of U.S. energy policy at Washington University in St. Louis.

## ENGAGING CONGRESS ON ENERGY AND CLIMATE POLICY



Sen. John Kerry (D-MA) and Harbert share views on energy and climate policy.



Sens. Mary Landrieu (D-LA) (left) and Richard Burr (R-NC) (right) participate in high-level discussions at the Energy Institute on energy legislation that will promote economic growth.



“

If we embrace a comprehensive approach and enact smart policies that do not further the growth of our nation's exploding deficit, we can lay the groundwork for energy security, environmental protection and economic prosperity and create the 20 million sustainable jobs our country needs.

-Karen Harbert  
House Ways and Means Committee  
Testimony  
April 14, 2010

### **U.S. House of Representatives Committee on Ways & Means “Energy Tax Incentives Driving the Green Job Economy”**

Testimony of Karen A. Harbert  
President & Chief Executive Officer  
Institute for 21st Century Energy  
U.S. Chamber of Commerce | Wednesday, April 14, 2010

### **U.S. Senate Finance Subcommittee on Energy, Natural Resources, and Infrastructure “Clean Technology Manufacturing Competitiveness: The Role of Tax Incentives”**

Testimony of Karen A. Harbert  
President & Chief Executive Officer  
Institute for 21st Century Energy  
U.S. Chamber of Commerce | Thursday, May 20, 2010



Harbert testifies on energy taxes at a Senate Finance subcommittee hearing.



The Energy Institute hosts Rep. Fred Upton (R-MI-6) for a discussion on U.S. energy priorities.

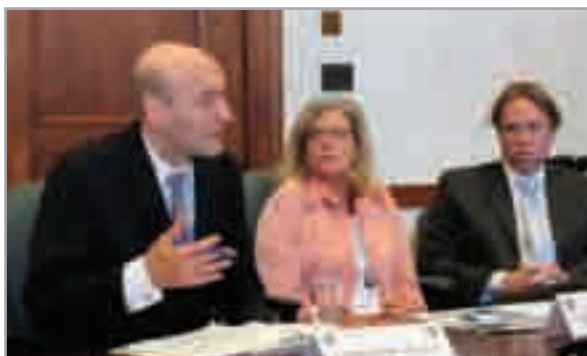
THE ENERGY  
INSTITUTE WAS  
ACTIVE ON CRITICAL  
ISSUES AFFECTING  
AMERICA'S  
COMPETITIVENESS,  
PARTNERING WITH  
BUSINESS AND  
ENERGY EXPERTS  
TO DEFEND AGAINST  
HARMFUL POLICIES  
AND PROMOTE  
PRO-GROWTH  
SOLUTIONS.

## ELEVATING THE CONVERSATION WITH KEY SENIOR OFFICIALS

Despite the need for positive economic action, federal agencies issued a number of proposals erecting obstacles that would further undermine the economy, jobs and energy security. The Energy Institute engaged at all levels to defend against policies that were roadblocks to economic recovery efforts.



Energy Institute officials meet with Scott O'Malia, Commissioner of the Commodity Futures Trading Commission.



Energy Institute officials brief Gregory Jaczko, Chairman of the U.S. Nuclear Regulatory Commission.



Michael Bromwich, Director of the Interior Department's Bureau of Ocean Energy Management, Regulation and Enforcement, speaks at the Energy Institute.



## SPEAKING OUT AT HIGH-LEVEL EVENTS

The Energy Institute was highly active in promoting business as part of the solution to our nation's economic challenges, hosting and participating in numerous events to foster dialogue on pro-growth solutions. Energy Institute officials highlighted the need for streamlined, less burdensome regulations to enable businesses to unleash capital for long-term energy investments.

The Energy Institute continually promoted all sources of energy as a commonsense approach to solving the energy puzzle. To further carry its policy recommendations, the Energy Institute frequently participated in marquee events hosted by institutions in Washington, D.C. and across the nation. The Energy Institute continued to lead a dialogue with influential energy experts to unify key decision makers behind rational policies. As the 2010 legislative session came to a close, Energy Institute officials made inroads with the 112th Congress and new Governors to promote comprehensive energy legislation and find common ground for commonsense energy policies.



The World Affairs Council of America 2010 Conference featured Harbert with Steven Clemons, Robert Kaplan, Christine Parthemore and Vice Admiral Dennis McGinn.



Business and government leaders attend the "What's Next for Climate Policy?" event at the Press Club and listen to Harbert's perspective on past, present and future climate policy.



Harbert discusses much needed pro-growth energy policies at the EIA 2010 Energy Conference.



Mayo Shattuck, President and CEO of Constellation Energy, addresses an Energy Institute event.



Harbert participates in the 2010 Deloitte Energy Conference panel discussion.

“

America is not the only destination for capital any longer, so we have to have a very inviting investment climate right here and now – and frankly, we don't.

-Karen Harbert  
Deloitte Energy Conference

“

Taxation systems do not exist in a vacuum in an increasingly-competitive world. The unintended consequences of proposed changes would likely accelerate the shrinking position of U.S. companies internationally, which would be bad both for the U.S. economy and for energy security.

-IHS CERA Chairman  
Dr. Daniel Yergin

## FIGHTING FOR CERTAINTY

Despite the national sentiment that taxes are not the answer, in 2010 lawmakers consistently proposed taxing the energy industry to pay for the skyrocketing costs of other policy proposals. Energy Institute officials discussed the counterproductive nature of excessive new taxes that discourage investment and prevent businesses from operating efficiently or effectively under the umbrella of uncertainty.

The Energy Institute partnered with IHS CERA and the law firm Skadden Arps to put some facts on the table about the real impacts of taxes on the energy industry, their cost to consumers and the long-term effects on U.S. competitiveness.



### CERA: Tax hikes would hit already hamstrung US oil industry

Karen A. Harbert, president of the Chamber's Institute for 21st Century Energy, said, "These proposed tax policy changes undermine the ability for the domestic oil and gas industry to compete abroad, which is a grave concern to the US Chamber of Commerce. The deficit is obviously a driving motivator for these proposals."

### The Detroit News

Uncertainty is economic quick sand

# LEADING THE CHARGE TO LIFT THE BAN

The Energy Institute recognized the need to get to the root cause of the Gulf oil spill and foster environmental recovery—but pressed for doing so without sacrificing the local economy. Policymakers' rash decision-making spelled economic disaster for the Gulf region and energy insecurity for the nation.

Leading efforts to build a coalition of 50 groups opposing the moratorium and generating more than 7,000 letters to President Obama, the Energy Institute successfully campaigned against the federal government's ill-conceived deepwater drilling moratorium and the resulting de facto moratorium on jobs and economic growth. Responding to these Energy Institute campaigns, which included grassroots mobilization in the Gulf region, Congressional testimony, comments to the President's oil spill commission, and ongoing economic analysis, the administration eventually lifted the ban.



## CERA: Tax hikes would hit already hamstrung US oil industry

Karen Harbert, president and CEO of the U.S. Chamber of Commerce's Institute for 21st Century Energy, echoed the condemnation. "While the ongoing important investigations into the Gulf accident are necessary and may lead to new safety measures, requiring industry to navigate a tangled web of new regulations will only lead to increased uncertainty for businesses and consumers and less investment in America's vast resources in the Gulf," she said in a statement.



## BY THE NUMBERS

>> **50** Gulf region business organizations

>> **7,000** letters urging President Obama to lift the moratorium

The Obama administration's moratorium on oil and gas exploration in the Gulf of Mexico has put the local economy and the livelihoods of tens of thousands of its residents in jeopardy. According to Louisiana State University, the moratorium could cost \$2.7 billion nationwide and \$2.1 billion in Gulf communities. Today, 46,000 American jobs are at risk, and up to 100,000 jobs could be lost in the long run. Coupled with President Obama's proposal to impose **billions in new taxes** on the oil and gas industry to pay for the government's unprecedented spending spree, all Americans could face rising energy costs, increased foreign oil imports, and fewer jobs here at home.

The 42 undersigned business organizations call on the administration and Congress to get back to business and support American jobs and American energy. Keeping our abundant resources under lock and key is a direct threat to our nation's battered economy and energy security.

**Call President Obama at (202) 456-1414. Tell him to protect American jobs, put the economy first, and lift the moratorium today.**

<p><b>Andalus Regional Alliance</b> Andalus Chamber of Commerce Baton Rouge Area Chamber of Commerce Bayou La Poudre Area Chamber of Commerce Brazos Chamber of Commerce Business Council of Alabama Business Council of New Orleans Central Louisiana Council City of Central Chamber of Commerce Covington Chamber of Commerce "Go St. Tammany" Chamber of Commerce Greater Beaumont Chamber of Commerce Greater Baton Rouge Chamber of Commerce Greater Lake Charles Chamber of Commerce Greater Lafayette Chamber of Commerce Greater New Orleans, Inc. Greater Shreveport Chamber of Commerce</p>	<p><b>Gulf Citizens United</b> Harrison Chamber of Commerce Harris County Industrial Association Houston Metropolitan Chamber of Commerce Iberia Chamber of Commerce Institute for 21st Century Energy Jefferson Davis Parish Economic Development Corporation Lafayette Chamber of Commerce Longshore Parish Chamber of Commerce Louisiana Association of Business &amp; Industry Louisiana Manufacturers Association Louisiana Nonprofit Association Mississippi Association of Builders &amp; Contractors Mobile Area Chamber of Commerce New Orleans Chamber of Commerce Northeast Area Chamber of Commerce</p>	<p><b>Offshore Service Association</b> Opelousas-St. Landry Chamber of Commerce Port of St. Charles Chamber of Commerce Pascagoula Association of Manufacturers and Industry Rock Region Ruston Lincoln Chamber of Commerce Southern Deep Production Association Spring Lake Marine Chamber of Commerce St. Mary Chamber of Commerce St. Tammany Economic Development Foundation St. Tammany West Chamber of Commerce Thibodaux Chamber of Commerce U.S. Chamber of Commerce West Baton Rouge Chamber of Commerce</p>
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[www.energyxxi.org](http://www.energyxxi.org)

The Obama Administration's de facto moratorium on oil offshore oil and gas exploration in the Gulf of Mexico has left the Gulf region's economy and the livelihoods of tens of thousands of its residents in jeopardy. Up to 100,000 jobs in Louisiana alone could be lost if the moratorium remains in place. While a renewed focus on safety, spill prevention, and advanced technology should be pursued aggressively, it must take alongside continued responsible offshore development.

The 42 undersigned business organizations urge the administration to end this moratorium. Keeping American energy resources under lock and key will have long-standing negative impacts on American jobs, economic growth, and our nation's energy security.

<p><b>Andalus Regional Alliance</b> Andalus Chamber of Commerce Baton Rouge Area Chamber of Commerce Bayou La Poudre Area Chamber of Commerce Brazos Chamber of Commerce Business Council of Alabama Business Council of New Orleans Central Louisiana Council City of Central Chamber of Commerce Covington Chamber of Commerce "Go St. Tammany" Chamber of Commerce Greater Beaumont Chamber of Commerce Greater Baton Rouge Chamber of Commerce Greater Lake Charles Chamber of Commerce Greater Lafayette Chamber of Commerce Greater New Orleans, Inc. Greater Shreveport Chamber of Commerce</p>	<p><b>Gulf Citizens United</b> Harrison Chamber of Commerce Harris County Industrial Association Houston Metropolitan Chamber of Commerce Iberia Chamber of Commerce Institute for 21st Century Energy Jefferson Davis Parish Economic Development Corporation Lafayette Chamber of Commerce Longshore Parish Chamber of Commerce Louisiana Association of Business &amp; Industry Louisiana Manufacturers Association Louisiana Nonprofit Association Mississippi Association of Builders &amp; Contractors Mobile Area Chamber of Commerce New Orleans Chamber of Commerce Northeast Area Chamber of Commerce</p>	<p><b>Offshore Service Association</b> Opelousas-St. Landry Chamber of Commerce Port of St. Charles Chamber of Commerce Pascagoula Association of Manufacturers and Industry Rock Region Ruston Lincoln Chamber of Commerce Southern Deep Production Association Spring Lake Marine Chamber of Commerce St. Mary Chamber of Commerce St. Tammany Economic Development Foundation St. Tammany West Chamber of Commerce Thibodaux Chamber of Commerce U.S. Chamber of Commerce West Baton Rouge Chamber of Commerce</p>
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**Call President Obama at (202) 456-1414. Tell him to protect jobs and growth by lifting the moratorium today.**

[www.energyxxi.org](http://www.energyxxi.org)



THE ENERGY  
INSTITUTE LED  
EFFORTS TO HALT  
THE DEVASTATING  
OFFSHORE  
DRILLING  
MORATORIUM,  
ENCOURAGING  
OFFICIALS TO  
CONSIDER THE  
UNINTENDED  
CONSEQUENCES  
OF SNAP  
DECISIONS.

The Energy Institute joined the lawsuit to halt the six-month ban on offshore oil exploration in the Gulf of Mexico. A testament to the importance of the Gulf region to the nation's economic and energy security, the district judge and the Fifth Circuit Court of Appeals lifted the ban. However, much work remained before relief would be realized.

In December, the Obama Administration announced a major step backward for America's energy security as it banned offshore exploration in the Eastern Gulf of Mexico and off the Atlantic and Pacific coasts. On top of the de facto moratorium in the Western Gulf, this announcement ensured that most of America's abundant oil and natural gas resources remained under lock and key, continuing to increase U.S. dependence on foreign oil—and stifle jobs and economic growth. Ironically, at a time when leaders on both sides of the aisle searched for ways to address the rapidly ballooning deficit, the administration rejected a significant revenue stream. As the year closed, the Energy Institute remained vocal in the fight for rational decision making.



The Rally for Economic Survival draws more than 11,000 concerned citizens and advocates in Lafayette, LA

**AP Associated Press**

Gulf drilling moratorium has been lifted, but drillers face hurdles before resuming work

**The Times-Picayune**

Chamber addressing Gulf oil spill concerns

**THE WALL STREET JOURNAL.**

Judges Reject White House's Drilling Ban Request



**Bloomberg BusinessWeek**

**Obama Said to Reject Drilling Off the Atlantic Coast, Florida**

**AP Associated Press**

**Obama: No offshore drilling in East Coast waters**

**The Washington Post**

**Salazar: Offshore oil drilling ban to be maintained in key areas**

Karen Harbert, president and CEO of the U.S. Chamber of Commerce's Institute for 21st Century Energy, said in a statement, "The Administration is sending a message to America's oil and gas industry: take your capital, technology, and jobs somewhere else."

 **RALLY FOR  
ECONOMIC  
SURVIVAL**  
**CAJUNDOME 07-21-10**

“

It is time to get the Gulf back to work and America's energy resources on line. It is incumbent on the Administration to be crystal clear with the industry about the new rules of the game and reveal them quickly if they do not want to inflict more and longer term pain on the businesses in the Gulf and the energy security of our nation.

**U.S. Senate Committee on Small Business and Entrepreneurship**  
**“Deepwater Drilling Moratorium: A Review of the Obama Administration's Economic Impact on Nation and Small Business”**

Testimony of Karen A. Harbert  
President & Chief Executive Officer  
Institute for 21st Century Energy  
U.S. Chamber of Commerce  
September 16, 2010

– Karen Harbert's testimony to the Senate Small Business Committee on the impacts of the moratorium



Many U.S. industries produce, process, transport, or otherwise rely on Canadian oil sands derived crude. An adverse ruling on this lawsuit would not only cause significant economic harm and have long-term impacts on U.S. jobs and growth, it will also make our country less secure by impairing the ability of our military to procure the fuel it needs.

— Karen Harbert

## TAKING LEGAL ACTION WHEN NECESSARY

The Energy Institute spoke out on: EPA's CO<sub>2</sub> Endangerment finding that would trigger Clean Air Act regulation; the Sierra Club's lawsuit against the U.S. Department of Defense that sought to bar the military from purchasing Canadian oil sands crude; and delays of the draft Environmental Impact Statement for the proposed Keystone XL (KXL) pipeline.

### The New York Times

U.S. Chamber Sues EPA Over Greenhouse Gas 'Endangerment' Decision

### Bloomberg

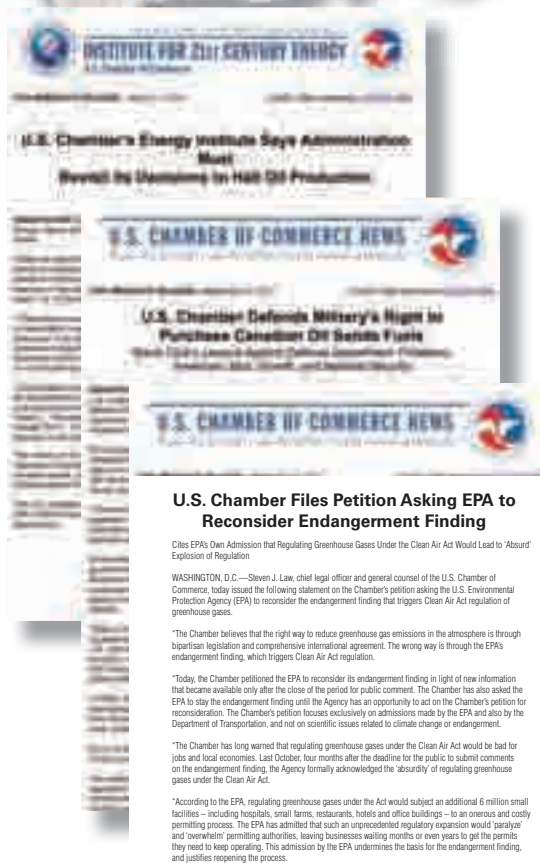
EPA Bid for Carbon-Rule Clarity Fails to Satisfy U.S. Business, Lawmakers

### THE HILL

U.S. Chamber lawsuit attacks basis for EPA emissions

### USA TODAY

EPA Bid for Carbon-Rule Clarity Fails to Satisfy U.S. Business, Lawmakers



) Case No. 3:10-cv-02673-JSW  
)  
) **NOTICE OF MOTION AND MOTION**  
) **TO INTERVENE OF AMERICAN**  
) **PETROLEUM INSTITUTE,**  
) **NATIONAL PETROCHEMICAL AND**  
) **REFINERS ASSOCIATION, and**  
) **CHAMBER OF COMMERCE OF THE**  
) **UNITED STATES OF AMERICA;**  
)  
) Date: November 12, 2010  
) Time: 9:00 a.m.  
) Judge: Hon. Jeffrey S. White  
)

THE WILDERNESS SOCIETY, *et al.*,  
Plaintiffs,  
v.  
U.S. DEPARTMENT OF THE INTERIOR,  
*et al.*,  
Defendants,  
and  
EDISON ELECTRIC INSTITUTE,  
AMERICAN PUBLIC POWER  
ASSOCIATION, NATIONAL RURAL  
ELECTRIC COOPERATIVE  
ASSOCIATION, AMERICAN GAS  
ASSOCIATION, CHAMBER OF  
COMMERCE OF THE UNITED STATES  
OF AMERICA, AND NATIONAL  
ASSOCIATION OF MANUFACTURERS,  
Proposed Intervenor-  
Defendants.

# BUILDING A BRIDGE BETWEEN THE STATES AND WASHINGTON

*to Heighten Understanding  
of America's Energy Realities*

- » Took facts and clarity in the energy debate to a new level, reaching 30 states on the Energy Reality Tour.
- » Carried priorities and concerns of thousands of Americans back to Washington during a pivotal election year.
- » Developed energy educational tools for the next generation of leaders.



## GETTING THINGS DONE ON THE ROAD

With challenging events placing America's energy future at a crossroads, the Energy Institute accelerated its national tour of key states to build support for meaningful and commonsense action on energy.

The ambitious cross-country tour reached 15,500 business leaders, policymakers and local leaders in 30 states through more than 125 events including academic visits, editorial board meetings, media interviews and videos. It fostered a national discussion about America's energy future, allowing the Energy Institute to bring the voices of America's businesses and entrepreneurs to the table as leaders in Washington considered significant policy changes.

HAVING  
CONSISTENTLY  
INFUSED FACTS  
AND CLARITY  
INTO THE ENERGY  
DEBATE SINCE ITS  
INCEPTION, THE  
ENERGY INSTITUTE  
TOOK REALITY ON THE  
ROAD WHEN AMERICA  
NEEDED IT MOST.

**ENERGY REALITIES FOR PENNSYLVANIA**  
Pennsylvanians have a lot on the line when it comes to energy. There's much to be gained—and plenty that could be lost—depending on how our leaders in Washington address America's energy realities. With America's energy security risk approaching levels not seen in decades, the time for action is now.

**PENNSYLVANIA'S ENERGY REALITIES**

- Pennsylvania is a major coal producing state and sells about one-half of its coal output to other states throughout the East Coast and Midwest.
- The first commercial U.S. nuclear power plant came online in 1957 in Shippingport; today, Pennsylvania ranks second in the nation in nuclear power generating capacity. Pennsylvania has five nuclear power plants.
- Pennsylvania is the leading petroleum-refining state in the Northeast.
- The Drake Well in Titusville, Pennsylvania, was the world's first commercial oil well, and western Pennsylvania was the site of the world's first oil boom.
- The development of natural gas in the Marcellus Shale, located in northern and western Pennsylvania, is estimated to add 271,000 new jobs and \$18 billion to Pennsylvania's economy.

**ENERGY POWERS PENNSYLVANIA'S ECONOMY**  
The energy industry supports a tremendous number of jobs in Pennsylvania.

- The coal industry in Pennsylvania supports 8,235 jobs in the state.
- Oil and natural gas alone support 271,250 jobs in Pennsylvania.
- In total, oil and natural gas jobs add \$25.7 billion to Pennsylvania's annual gross state product, or 4.8% of its wealth.
- In 2006, metropolitan areas in Pennsylvania had a total of 19,195 jobs in renewable energy industries such as solar, wind, and geothermal power.

A study undertaken by the U.S. Chamber shows that at least sixteen Pennsylvania energy projects have been stalled by "green tape"—a means to block energy projects by organizing local opposition, changing zoning laws, opposing permits, filing lawsuits, and bleeding projects dry of their financing.

• The Chamber, based on consultation with the project developers, estimates that these projects represent at least \$10 billion investment dollars in Pennsylvania and would create nearly 5,000 jobs.

The Energy Institute is leading the fight for sound energy policies that increase our nation's energy security, grow the economy, and keep America clean and competitive.  
Join us at [www.energyxxi.org](http://www.energyxxi.org)

**U.S. Chamber's Energy Institute  
Heads Back on the Road for Energy  
Reality Tour; Growing Concerns  
on Energy Challenges Demand  
Sensible Action**

**The Florida Times-Union**  
U.S. Chamber brings energy tour to Jacksonville

**THE PLAIN DEALER**  
U.S. needs more energy sources, including  
nuclear, U.S. Chamber official says

“  
**The Energy Reality Tour** will  
bring the voices of Americans  
from across the country back  
to Washington in support  
of comprehensive action on  
energy that will improve our  
energy security and create  
jobs. It will also expose the  
grave consequences that some  
proposed policies could have  
on our economy and our energy  
supply.

—Karen Harbert



## BY THE NUMBERS

- » Visited **30** states
- » At **125** events, addressed nearly **15,500** business leaders, policymakers and local influencers
- » Created comprehensive state fact sheets with localized "Energy Realities"
- » Generated media coverage that reached more than **2 million** people

## MAKING IT COUNT

The 2010 midterm elections made it all the more imperative that voters' voices be heard on significant national issues like energy and the economy. The Energy Reality Tour was a vehicle for building a bridge between the states and Washington during the pivotal election season. The results made it glaringly apparent that America was not satisfied with Washington leadership and a new approach was on the horizon.



### THE NEWS TRIBUNE

Energy guru urges business leaders to get involved

Industry wary of energy legislation

Chamber official: Coal, gas needed: Also pushes nuclear and 'energy reality'

Our view: Energy reality There is no silver bullet; there is silver buckshot

### PHOENIX Business Journal

U.S. Chamber executive discusses energy issues affecting Arizona, nation

### THE DENVER POST

Plans for Colorado's new-energy economy get tangled in "green tape"

# BUILDING A BRIDGE BETWEEN THE STATES AND WASHINGTON

WHILE ON THE  
ENERGY REALITY  
TOUR, THE ENERGY  
INSTITUTE EXPANDED  
ITS ROLE AS  
AN EDUCATOR,  
FOCUSING ON  
FUTURE LEADERS AT  
ALL LEVELS.

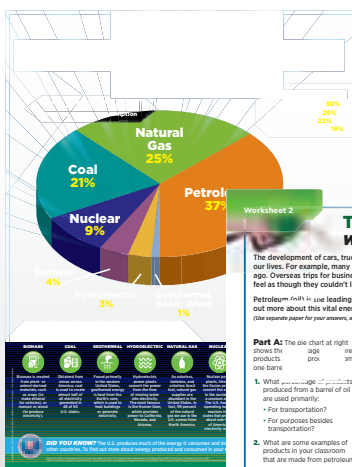
## RAISING STUDENTS' ENERGY AWARENESS

As the Energy Institute headed back on the road with the Energy Reality Tour, it further expanded its education initiative. Now, more than ever, future generations must be armed with the skills and critical thinking needed to plan for, build and manage American's energy systems.

Having conducted a gap analysis of energy curriculum taught in middle schools, the Energy Institute recognized the need to bring authoritative facts to classrooms from coast to coast. Partnering with Scholastic, it developed a nationwide program aimed at educating middle school students about energy. The program features a supplemental print and digital program on energy issues that aligns with science, math and social studies curriculum. At the conclusion, students and teachers will have the opportunity to enter a nationwide contest to demonstrate their understanding of energy and newly learned skills.



Harbert introducing the "Shedding Light on Energy" curriculum to middle school students in Pennsylvania.



### EDUCATION: Chamber launches energy program for middle schools



**Transportation: What's Behind the Pump?**

The development of cars, trucks, and airplanes in the past century has radically changed our lives. For example, many people now live farther from their jobs than they did a century ago. Overseas trips for business or vacations are increasingly more common. Many people feel as though they couldn't live without their cars.

Petroleum is the leading energy source for transportation in the United States. To find out more about this vital energy source, read below and answer the questions. (The answers appear at the end of the page.)

**Part A:** The pie chart at right shows the percentage of petroleum products used in the United States. For transportation, what percentage of petroleum products are used?

**Part B:** The U.S. is one of the world's largest oil producers. However, we use more than we produce, which is why we import oil from other countries. Where does U.S. oil come from? To find out, study the data tables to the right, and then answer the questions.

**1.** What percentage of total U.S. production comes from the top two producing states?

**2.** Of the total amount of oil produced by the U.S., and imported by the U.S., what percentage:

- Is produced within the United States?
- Is imported from other countries?
- Comes from North American countries?

**Products Made from a Barrel of Crude Oil**

Product	Percentage
Gasoline	43.8%
Jet Fuel	8.8%
Heavy Fuel Oil	16.8%
Other Distillates	10.5%
Other Products	19.9%

**Other Products** include items as varied as plastics, resins, and ink.

**Gasoline** is primarily used by cars and light trucks.

**Distillates** are primarily used by heavy trucks.

**Heavy Fuel Oil** is primarily used to power ships and boilers to generate electricity.

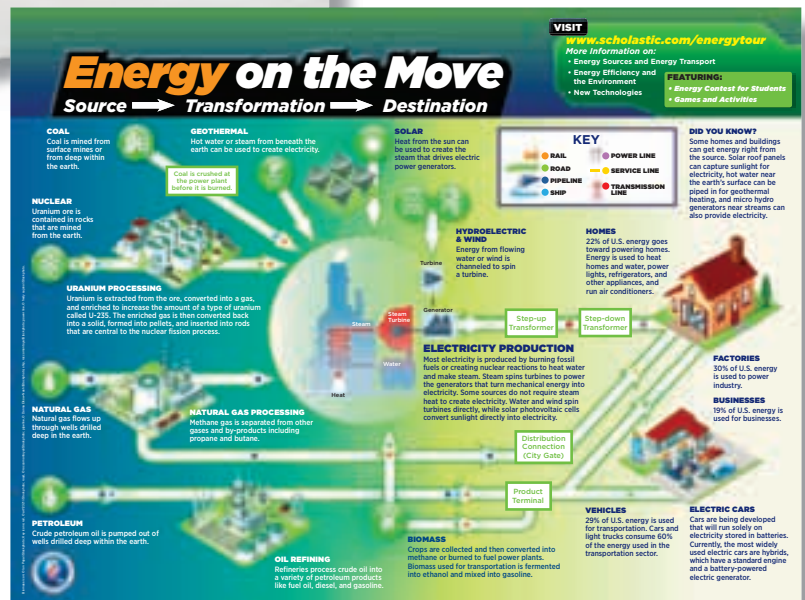
**Jet Fuel** powers airplanes.

**Top Oil-Producing U.S. States**

State	Production (in million barrels per day)
Texas	4,024
Alaska	2,008
California	202
North Dakota	80
Louisiana	69
Michigan	67
Illinois	67
Alaska	67
Alaska	67
Alaska	67

**Top Countries in the U.S. Imports of Oil**

Country	Imports (in million barrels per day)
Canada	4,024
Mexico	2,008
Saudi Arabia	202
Venezuela	80
Algeria	69
Libya	67
Angola	67
Algeria	67
Algeria	67



## EQUIPPING FUTURE LEADERS WITH ENERGY FACTS

The Energy Institute extended its outreach to academic institutions of higher learning across the country as it focused on a second key group: business and energy undergraduate and graduate students. By engaging future leaders, the Energy Institute aims to chip away at the growing shortage of qualified energy professionals, who are paramount to a secure energy future in the United States.



Harbert discusses the future of U.S. energy policy at Washington University, at a forum featuring Missouri Gov. Jay Nixon.



Harbert appears on the Creighton University Mid American Report, which broadcasts across Nebraska on both TV and radio outlets.



Eule addresses students, local opinion leaders and business executives at Columbia University.

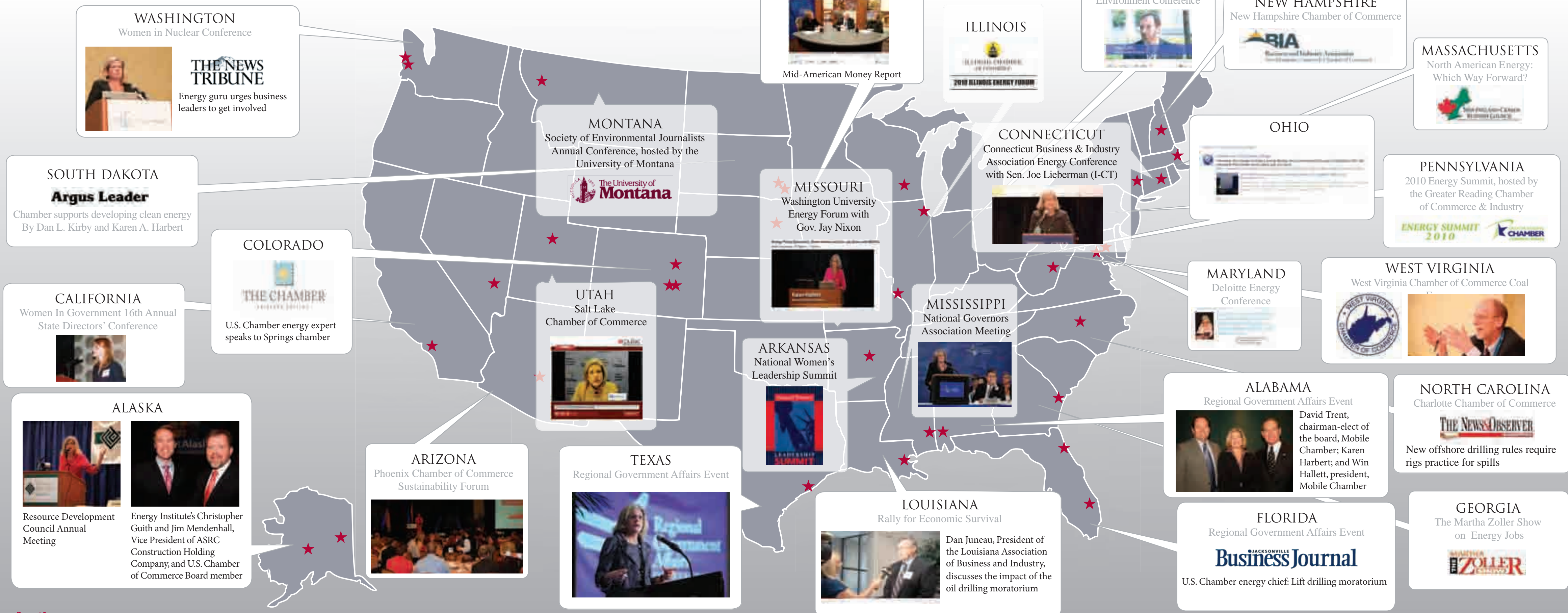


By engaging today's students at a time when our skilled energy workforce is aging and America's global competitiveness is being challenged, we are really reaching tomorrow's leaders with facts that we believe will empower them to take an active role in shaping America's energy future.

— Karen Harbert

### A National Discussion about America's Energy Future: Karen Alderman Harbert







# DEMONSTRATING NATIONAL AND INTERNATIONAL THOUGHT LEADERSHIP

## *to Advance Energy Security*

- » Developed the first ever measurement of U.S. energy security—the Index of U.S. Energy Security Risk™.
- » Defined issues of national and international importance and brought thought leadership to Washington discussions for a more informed debate.
- » Convened international business organizations to advance industry interests in global policy discussions.

THE ENERGY  
INSTITUTE EMBRACED  
THE AMBITIOUS TASK  
OF DEFINING THE  
PRECISE COMPONENTS  
OF ENERGY SECURITY,  
ARMING LEADERS  
WITH A THOUGHTFUL  
AND THOROUGH  
ANALYSIS OF THE  
RISKS TO OUR NATION.

## RELEASING THE FIRST ANNUAL INDEX OF U.S. ENERGY SECURITY RISK™

*Answering the Question, “Is Our Energy Security Getting Better or Worse?”*

As the United States has navigated international and domestic events and crises affecting energy security over the last several decades, there has never been a thorough understanding or measurement of the factors comprising our nation's energy security or how to effectively manage it. To advance understanding and bring transparent facts to this area of critical importance to our country, the Energy Institute undertook an ambitious analytical endeavor to bring to light the full spectrum of energy security risk. The product, a first-of-its-kind Index of U.S. Energy Security Risk™, is an all-encompassing tool for policymakers, energy professionals and influencers to guide policy decisions and will be updated annually as new data becomes available.

The Index is based on 37 individual metrics in four primary areas—geopolitical, economic, reliability and environmental. It tracks energy data every year since 1970 and projects future risk to 2030 using private as well as government information, including trends and projections, to evaluate policies and regulations based on whether they increase or decrease U.S. energy security. Each year the Index is assigned one composite score. The Energy Institute also launched an interactive online tool allowing people to delve into the details and understand the impacts to energy security risk.

## THE WALL STREET JOURNAL.

Chamber Attempts to Put a Number on Energy Security

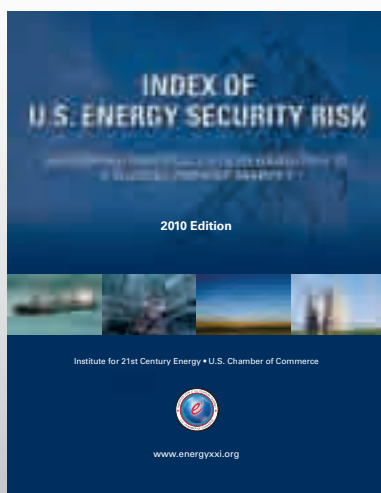
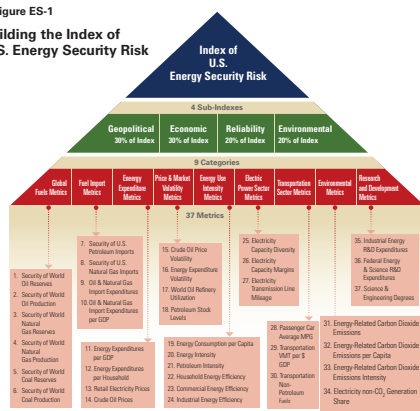


Figure ES-1

Building the Index of U.S. Energy Security Risk



## PROMOTING THOUGHT LEADERSHIP

Through briefings, events, videos, advertising and online campaigns, the Energy Institute reached think tanks, universities, policymakers, media and energy professionals about our rising energy security risks. The Energy Institute conducted dozens of interviews and briefed key Congressional staff and White House and Administration officials on how the Index can be harnessed as a constructive policy tool to mitigate risk moving forward.



Energy Institute officials unveil the first-ever measurement of U.S. energy security and explain the 37 metrics used to determine the 2010 Index of U.S. Energy Security Risk.



## BY THE NUMBERS

- **100** – Index score in 1980, the highest level since 1970
- **72.6** – Index score in 1995, the lowest level since 1970
- **83.7** – Index score in 2009, down from 99.8 in 2008 due to a slower global economy



THE ENERGY

INSTITUTE CONVENED

INTERNATIONAL

BUSINESS

ORGANIZATIONS TO

ADVANCE INDUSTRY

INTERESTS IN GLOBAL

POLICY DISCUSSIONS.

## BROADENING INTERNATIONAL BUSINESS PARTICIPATION IN CLIMATE TALKS

America's energy security is shaped in part by international relations. The Energy Institute continued its active leadership in international policy discussions around the world.

The Energy Institute expanded the work of the coalition of nearly 20 international business organizations first convened in the run up to the 2009 Copenhagen Climate Change Conference. Building on the progress made at its inaugural meeting at the U.S. Chamber, the Energy Institute hosted the Major Economies Business Forum on Energy Security and Climate Change (BizMEF) before the 2010 UN Convention on Climate Change in Cancun. Business leaders achieved agreement in key areas and promoted dialogue on climate change with white papers to inform government negotiators of impacts on the business community. Participants in the 2010 BizMEF included business association representatives from Japan, Canada, China, India, the European Union, Mexico, Australia and South Korea, as well as new participants New Zealand and Turkey.

### Major Economies Business Forum on Energy Security and Climate Change



Leaders from around the world meet at the Major Economies Business Forum on Energy Security and Climate Change Meeting, hosted by the Energy Institute. Energy Institute officials and Jonathan Pershing, Deputy Special Envoy for Climate Change, address the group among others.



To inform climate discussions in the United States—and, ultimately, the UN Climate Change Conference in Cancun—the Energy Institute analyzed all 2020 emissions reduction targets submitted by developed and developing nations to the Copenhagen Accord. Under the Energy Institute’s analysis, even if the targets submitted are adopted, global emissions in 2020 will still be above 2005 levels by as much as 20 percent. The Energy Institute has called attention to this and other challenges at the climate negotiations, and is frequently called upon by media for its international business expertise.



## National Journal

Cancun Expert Blog; U.S. Climate Bill Not Panacea  
By Stephen Eule



European Commissioner for Climate Action Connie Hedegaard addresses the Energy Institute.



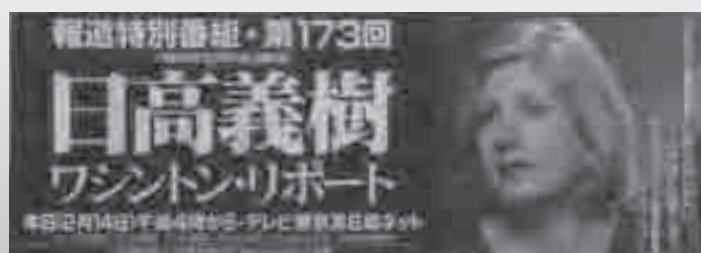
Harbert addresses the Howard Baker Center on U.S.-Japan Nuclear cooperation.

## Chamber of Commerce Makes Climate Change Its Business

“This will serve as a way for the business community to have a pipeline to the process, to relay to governments our business views,” said Stephen Eule, a vice president of the Chamber’s Institute for 21st Century Energy. “We’re inviting official delegates to meet with our members. There’s a need for a greater business voice in the U.N. process.”



Chamber President Tom Donohue at the U.S.-India Business Council.



In policy discussions from Brussels to Beijing and India to Canada, the Energy Institute continuously brings clarity and key insights to national and regional issues impacting America's energy security. Its thought leadership was brought to bear as national events turned the dialogue to various energy sources and what they really mean to this country.



## **BELGIUM**

Presented the Energy Institute's Index of U.S. Energy Security Risk in Brussels at Centre for European Policy Studies (CPES)



## **CANADA**

Delivered the keynote address at the Global Business Forum.

Addressed Canadian premiers at a Council of the Federation meeting chaired by Saskatchewan Premier Brad Wall.



## **CHINA**

Attended Chinese People's Political Consultative Conference 21st Century Forum 2010 in Beijing.

Hosted a reception and dinner in honor of Qian Zhimin, Deputy Director, National Energy Administration, China



## **GERMANY**

Participated in the U.N. Climate Change Conference in Bonn.



## **INDIA**

Chamber President Tom Donohue pushed for a greater U.S.-India partnership.



## **JAPAN**

Harbert was featured in Japan's national monthly "Washington Report" on energy policy.



## **MEXICO**

Represented business interests at the U.N. Climate Change Conference in Cancun.

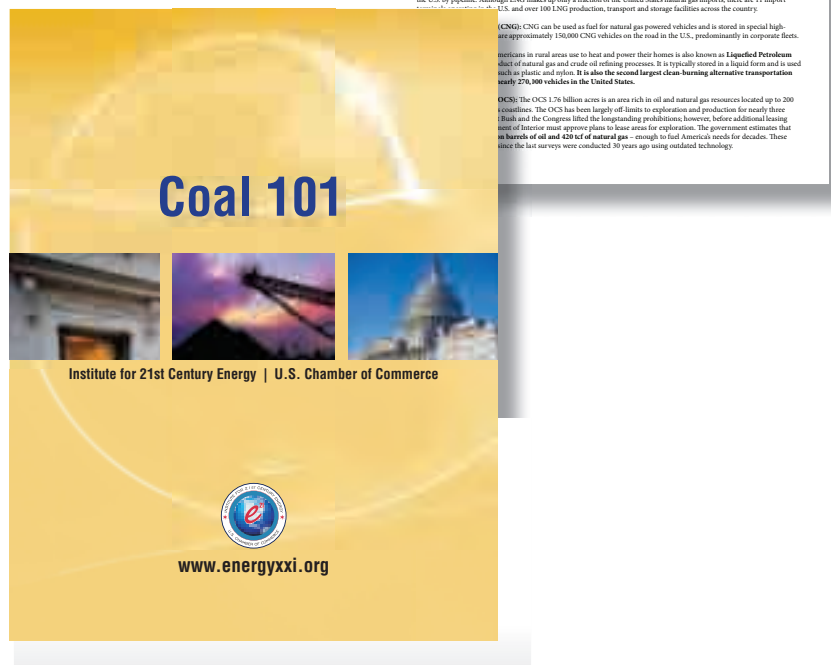
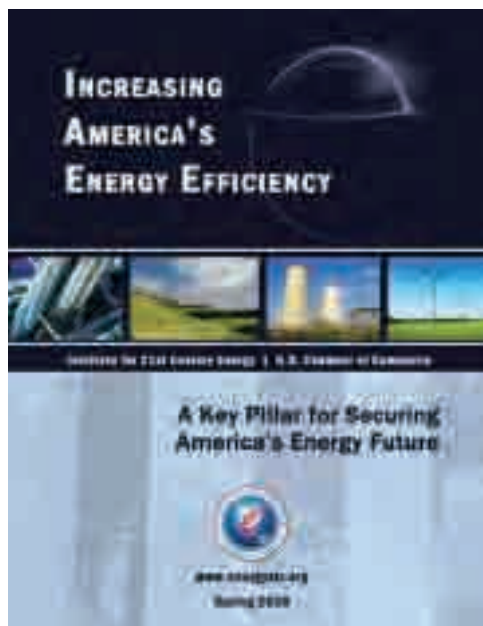


## **SOUTH KOREA**

Chamber President Tom Donohue talks with Chairman of the Korea Employers Lee Hee-beom.

## CONTINUING EDUCATION

Policymakers propose various approaches to address energy issues, but it can often be difficult to understand what is really being considered, especially when it comes to specific sources. The Energy Institute provided government officials and other interested parties background materials through its Energy 101 Series this year. As with any discussion of energy sources, the conversation often turns to the efficient use of those sources—and the Energy Institute continued to aggressively promote and analyze energy efficiency policies in 2010.



## LEVERAGING THE CHAMBER NETWORK

Tapping its network of business leaders across the country, the Energy Institute carried the call to action from regional communities to leaders in Washington through its "View from the States" series. Chamber executives from Georgia to Alaska and Louisiana to Montana, put their thoughts to paper about the local energy issues effecting them—ranging from greenhouse gases and affordable energy supply to jobs and the economy—and what policies the government should enact to address those issues while fostering economic growth and strengthening U.S. energy security.







## EXPANDING OUR REACH TO ENGAGE 21<sup>ST</sup> CENTURY ADVOCATES

- » Increased regional press coverage significantly, including segments on numerous radio networks and regional and national newspapers, discussing energy policy with more than 250 media outlets when called upon for energy expertise.
- » Drove content on energy television platforms.
- » Expanded the Energy Institute's online presence and digital content through blogs, videos and social media engagement.
- » Attracted fresh audiences to our website with new interactive educational and advocacy features.

THE ENERGY INSTITUTE

RAISED ITS PROFILE

ACROSS AMERICA

AND WAS FEATURED

IN LEADING NATIONAL

MEDIA OUTLETS AND

SOUGHT BY REGIONAL

MEDIA FOR INPUT ON

CRITICAL ENERGY

ISSUES.

## NATIONAL AND REGIONAL PRINT

The Energy Institute continued to serve as an expert resource for leading national media outlets while raising its regional profile through increased newspaper, radio and TV interviews across the country—reaching local opinion and business leaders that impact energy and policy decisions. The Energy Institute also reached its core audience through energy TV platforms.

**THE WALL STREET JOURNAL.**

**The New York Times**

**INVESTOR'S BUSINESS DAILY**

**Bloomberg  
BusinessWeek**

**DOW JONES**

**The Washington Post**

**AP** Associated Press

**Bloomberg**

**Los Angeles Times**

**POLITICO**

**National Journal**

**THE HILL**

**THE DENVER POST**

**Anchorage  
Daily News**

**Business Empire.com**

**The Florida Times-Union**

**THE INDIANAPOLIS STAR**

**Pittsburgh Post-Gazette**

**The Times-Picayune**

**ALABAMA  
Journal  
Commerce**

**THE NEWS  
TRIBUNE**

**JOURNAL SENTINEL**

**PHOENIX  
Business  
Journal**

**THE NEWS OBSERVER**

**THE PLAIN DEALER**

**The Gazette**

**Argus Leader**

## The New York Times

Fault Lines Remain After Climate Talks

## THE WALL STREET JOURNAL.

Chamber Attempts to Put a Number on Energy Security

## Ap Associated Press

Panel Selected to Review Nuclear Waste Options

## INVESTOR'S BUSINESS DAILY

Cap-Drill-Nuke Idea Faces Big Challenges

## Los Angeles Times

Clean Energy is Mired in Politics

## REGIONAL RADIO AND TV

- ◆ The Martha Zoller Show (Gainesville, GA)
- ◆ WDRC-AM "The Talk of Connecticut" (Hartford, CT)
- ◆ 1620 AM News Radio Pensacola (Pensacola, FL)
- ◆ KCPW "Broadcasting from Denkers Studio" (Salt Lake City, UT)
- ◆ KSL News Radio (Salt Lake City, UT)
- ◆ 850 KOA News Radio (Denver, CO)
- ◆ WGIR-AM (Manchester, NH)
- ◆ APRN "Alaska Public Radio Network" (Anchorage, AK)
- ◆ News Radio 650 KENI (Anchorage, AK)
- ◆ KFQD-AM 750 News Radio (Anchorage, AK)
- ◆ KTRS "The McGraw Show" (St. Louis, MO)
- ◆ KFNN "Financial News Radio" (Phoenix, AZ)



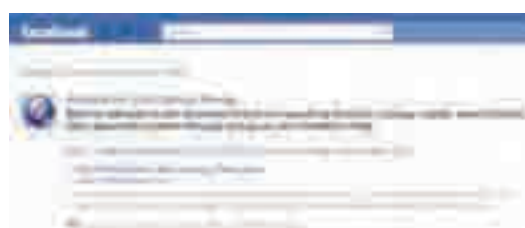
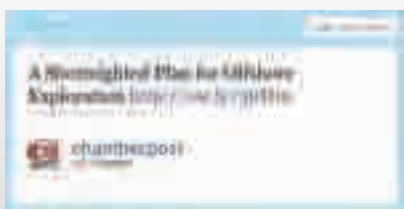
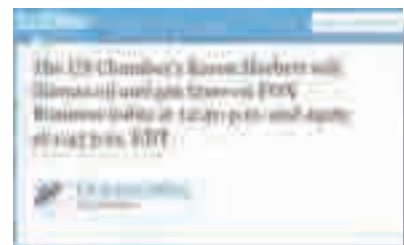
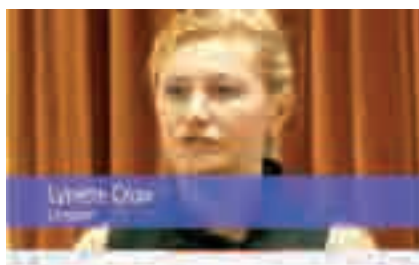
Harbert interviews live in studio on KFQD-AM's "The Dan Fagan Show" in Anchorage, Alaska.



PROMINENT BLOGS AND  
ONLINE PUBLICATIONS  
FREQUENTLY TURNED  
TO ENERGY INSTITUTE  
OFFICIALS FOR EXPERT  
ENERGY OPINIONS,  
ANALYSIS AND  
CONTENT.

## VIDEO

The Energy Institute engaged in new ways with online media and video content in 2010, capturing local energy concerns on videos state by state to bring back to Washington.



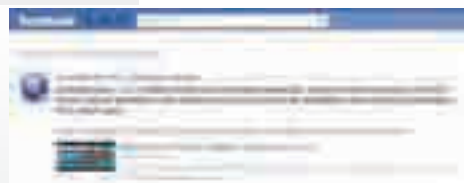
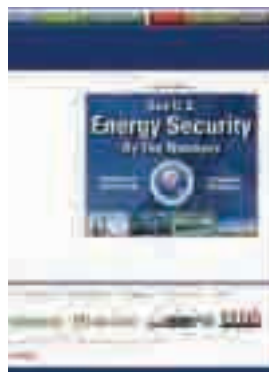
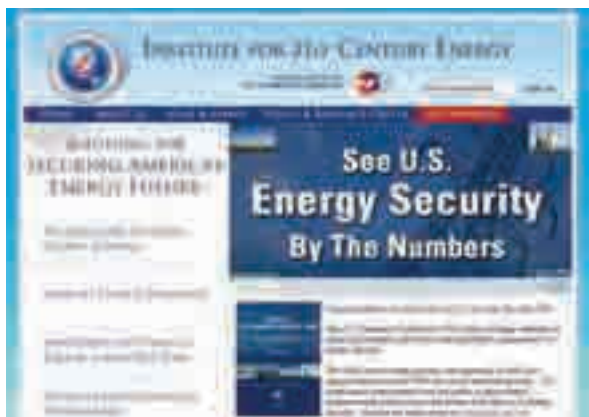


## PROMOTING OUR ISSUES ONLINE

The Energy Institute continued to expand its website—[www.energyxxi.org](http://www.energyxxi.org)—into a dynamic, interactive portal that serves as an invaluable energy resource for business leaders and policymakers. In addition, growing online energy forums asked Energy Institute officials to weigh in on the most pressing issues as featured experts, such as the new Politico Energy Arena and National Journal Energy and Environment Expert Blog.

Facebook and YouTube continue to play an integral role in keeping members updated with the latest content and new Energy Institute activities. Video introductions to new reports and analysis remained a popular educational source.

To further promote these resources, the Energy Institute utilized Twitter—“tweeting” the latest energy news through ChamberPost, Chamber Magazine and U.S. Chamber platforms.





**KAREN ALDERMAN  
HARBERT**

President and CEO



**CHRISTOPHER GUTH**

Vice President and Managing  
Director, Policy



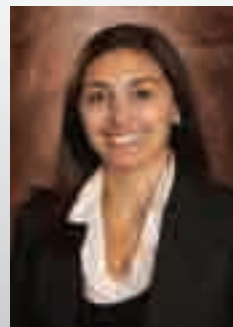
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Vice President, Strategy



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**ALYSSA CHERIF**

Associate Manager of  
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Vice President



**STEPHEN EULE**

Vice President and Managing  
Director, Climate and  
Technology



**MATTHEW KOCH**

Vice President



**LEILA GETTO**

Director, Programs



## About the Energy Institute

The mission of the U.S. Chamber of Commerce's Institute for 21st Century Energy is to unify policymakers, regulators, business leaders, and the American public behind a common sense energy strategy to help keep America secure, prosperous, and clean. Through policy development, education, and advocacy, the Institute is building support for meaningful action at the local, state, national, and international levels.

**[www.energyxxi.org](http://www.energyxxi.org)**





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U.S. CHAMBER OF COMMERCE



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