

February 6, 2022

The Honorable Sherrod Brown
Chairman
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, D.C. 20510

The Honorable Pat Toomey
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Chairman Brown and Ranking Member Toomey:

I am writing to respectfully express our concerns regarding the anti-fossil fuel views of Ms. Sarah Bloom Raskin who has been nominated to serve as Vice Chair for Supervision of the Board of Governors of the Federal Reserve System. As you know, this position is responsible for developing the Fed's supervisory and regulatory priorities and, as such, influences financial institutions which are a source of capital for the fossil fuel industry and other sectors of the economy. While Ms. Raskin might be qualified in other respects for this position, her views nonetheless indicate a disturbing bias against fossil fuels and a fundamental lack of understanding about the benefits of coal-fired electricity.

Ms. Raskin has made unfortunate statements such as the following, which appeared in the *New York Times* on May 28, 2020 (“*Why Is the Fed Spending So Much Money on a Dying Industry?*”):

- Fossil fuels are a “*risky investment.*”
- Fossil fuels are a “*terrible investment.*”
- Investing in fossil fuels represents “*risky debt.*”
- Fossil fuel companies have been “*recklessly expanding production.*”
- Fossil fuels is a “*dying industry.*”

America's Power advocates on behalf of coal-fired electricity in the U.S. which provides more than 20 percent of the nation's electricity. Moreover, coal and natural gas together are responsible for 60 percent of the U.S. electricity supply. Coal-fired electricity generation promotes reliable and resilient supplies of electricity and contributes to affordable electricity prices. The nation's coal fleet has continued to demonstrate its value, especially during extreme weather when other electricity sources have proven to be less reliable or too expensive.

Ironically, elimination of fossil fuels would undermine efforts to add more renewable power to the electricity grid because dispatchable fossil fuels are essential to compensate for the intermittency of wind and solar power. California was a case study almost two years ago of what can happen — rolling blackouts and energy emergencies — without enough dispatchable resources to balance renewable power.

Another consequence of attempting to eliminate fossil fuels is that it discourages investment in technologies that can enable fossil fuels to be used more cleanly. These technologies are important for the U.S. as well as other countries. For example, China's existing coal fleet (half of the world's entire coal-fired generating capacity) is already five times the size of the U.S. coal fleet, and China has under development new coal-fired generating capacity that is larger than the existing U.S. coal fleet. We should note that low-cost electricity generated by its enormous coal fleet has given China a competitive advantage in producing materials for solar installations worldwide.

The statements above by the nominee become self-fulfilling if they are reflected in the Fed's priorities. Sending signals or adopting policies that undermine the financial community's confidence in fossil fuels will harm the nation's fleet of coal-fired power plants, the coal industry, its employees, and the supply chain that supports this essential resource. This also harms electricity consumers.

We urge the committee to ensure that nominees do not hold views or support policies that are biased against investments in *any* energy resource — regardless if it is coal, gas, oil, nuclear, hydro, other renewables, storage technologies, or energy efficiency — because a diverse resource mix is the best way to ensure reliable, affordable, and secure energy supplies.

Thank you for considering our concerns.

Sincerely,

A handwritten signature in cursive script that reads "Michelle S. Bloodworth".

Michelle Bloodworth
President and CEO

Copy to Members of the Senate Committee on Banking, Housing, and Urban Affairs