



October 5, 2011

Joe Martins
Commissioner,
New York Department of Environmental Conservation
625 Broadway
Albany, NY 12233

Re. Clean Fuel Standard for the Northeast and Mid-Atlantic Regional States

Dear Commissioner Martins,

As TerraVerde Capital Management, an investment management firm focused on high growth developing opportunities in the renewable energy sector, and a member of the Investor Network on Climate Risk (INCR), we would like to express our strong support for a regional Clean Fuel Standard (CFS). We believe a strong clean fuel standard can give American and New York clean energy companies a real boost.

Our firm has been managing a fund of hedge funds for over a decade. A few years ago, we began paying attention to new opportunities in the clean-tech and renewable-energy sectors – not out of any particular political conviction, but because we believe long-term trends show there are economic opportunities because of shifting demographics and depleting natural resources. As a result, we launched TerraVerde Capital Management in 2009.

As the Earth's population grows, energy demand will increase. Companies that bridge the gap – that find ways of doing more with less energy, and that develop new sources of energy – offer potential for high growth. We see CFS as creating a tremendous investment opportunity, which is in line with NESCAUM's encouraging economic analysis.

With the global population heading from 6.5 billion to a projected 9.5 billion by 2050, energy demand will only increase, and the United States' billion-dollars-a-day imported oil habit will only get more expensive. Pressure to find efficiencies and new technologies will be intense. A CFS would minimize our vulnerability to rising oil prices and promote national security.

Many other countries get this. China, for example, is investing \$12.6 million every hour in clean-energy technology, and is the No. 1 nation in the world for clean-energy finance and investment.

In this globally competitive market, if New York and the region want to take share in clean-energy capital, they would be well advised to put policies in place that will attract clean-tech businesses. A strong CFS sends a powerful message to investors, entrepreneurs and businesses that New York and the region are the right places to set up and expand clean-energy businesses.

We would also like to commend NESCUAM on its recent economic analysis, which points to clear investment and business benefits stemming from a strong CFS.

The report shows that a CFS could cut regional gas and diesel use for transportation by up to 29 percent in 2022. That frees up to \$75 billion for other uses. Our gross regional product could grow by up to \$28 billion; and up to 50,000 jobs could be created annually.

A strong CFS would provide market certainty for the very sector – energy efficiency and clean-energy technologies – that we believe is poised for tremendous growth. With a Clean Fuel Standard in place, our firm would absolutely look to invest in those companies that stood to benefit. And we are sure we are not alone in seeing this as an opportunity.

These are not easy times for investors. But over the long term – in a world where a growing population needs a growing supply of fuel and power – there is money to be made in energy efficiency technologies, and in the next generation of renewable homegrown energy. Smart companies are acting on that reality. And so are smart governments.

In sum, we urge the speedy adoption of a regional CFS. A CFS would create tremendous investment opportunities for New York and the region, and move us toward a more sustainable global economy. It is time to move forward aggressively with policies such as the CFS that will promote private investment in a low carbon economy.

Sincerely,

Richard Bookbinder
Managing Member
TerraVerde Capital Management LLC

Bobby Shamsian
Vice President
TerraVerde Capital Management LLC