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Turning On Citizen Power

www.citact.org

Contact your Federal Representative and Senators to Stop Utility Industry Manipulation of U.S. Carbon Policy!

(contact info on back)

The Issue of Global Warming

There is now an international scientific consensus that global warming exists, is caused primarily of human generated carbon dioxide, and is accelerating at an alarming rate. The main culprit in the planet's warming trend is coal-fired power.

Unless we act now, global warming will cost us dearly, both economically and ecologically. Changing weather patterns will produce more violent storms and drought. We can also expect the displacement of hundreds of millions of people due to rising sea levels. Public health concerns have also been raised due to expected proliferation of various diseases. The oceans are expected to acidify due to excessive deposition of carbon dioxide, severely threatening the food chain.

Reducing Carbon Dioxide Emission is Now a Necessity

Scientists are urging 80% reductions in carbon dioxide emissions by 2050 at the latest in order to mitigate the economic and environmental upheaval we face in a do-nothing scenario.

The U.S. Can Reduce Carbon Dioxide Emissions at a Profit

Ratepayers can save hundreds of billions of dollars and address global warming with the proper investment policies. Public policies that support nationwide renewable energy and energy efficiency markets will achieve this aim.

The American Council for an Energy-Efficient Economy (ACEEE) estimates that mandating utility companies to cover 15% of their electric energy demand with renewable energy and 15% with energy efficiency would save U.S. ratepayers \$600 billion dollars while significantly reducing carbon emissions. Added to that, the Department of Energy has stated that the cost of solar panels is expected to significantly drop over the next 3 to 4 years to a point of making the technology competitive with new coal plants.

Advances in renewable energy technology and energy efficiency are being made in leaps and bounds every year. On the other hand, the costs of new coal and nuclear plants continue to skyrocket. Given these trends, the Institute for Energy and Environmental Research has estimated that coal and nuclear could be phased out within the next 40 years.



Regulating Carbon Dioxide

Congress is now considering legislation, Senate Resolution (S.) 2191, the Climate Security Act, to regulate carbon dioxide emissions. How Congress regulates these emissions will determine if we are able to achieve actual reductions in carbon dioxide and whether we see significant changes in utility investment patterns that favor cleaner, cheaper alternatives over more investment in coal-fired power.

Utility Business Plan

Jim Rogers, CEO of Duke Energy and poster boy for the national utility agenda, has testified in a power plant hearing in North Carolina, saying:

- He wants his current and new coal plants grandfathered under any federal carbon control legislation. This means that he does not want the federal law to apply to coal-based utilities.
- Carbon Capture and Sequestration (CCS) technology will not be available for 15 to 20 years. (CCS is the ability to capture carbon dioxide from a coal-fired power plant and shoot it deep into the ground in the hope that it stays there. This technology requires a large amount of energy and the extent of the environmental damage it would do is still not entirely understood.)

Utility Preferred Approach

A fundamental shift in investment to energy efficiency and renewable energy technology would lead to billions of dollars in savings to ratepayers. Making this shift would cost utility companies hundreds of billions of dollars (although the costs would be much less than building more coal-fired or nuclear power plants). Therefore, utilities are refusing to change gears and have continued to justify the use of coal and new coal plants with the hollow promise of carbon capture and sequestration technology in the distant future.

Congress wants a market-based approach to controlling carbon emissions called a Cap and Trade system. Under this approach, the U.S. Environmental Protection Agency would create allowances that equate to one ton of carbon dioxide. These allowances would be available on the market for purchase or sale. Utilities that are heavily reliant on coal (like those in Indiana) would have to purchase allowances so that they could continue to emit carbon dioxide.

Utility companies want to have these allowances simply given to them instead of having to purchase them in a competitive auction. This would allow their current coal plants and coal plants recently under construction to be grandfathered under the law, meaning that they could emit carbon dioxide at even higher levels than they are now and at the same time vastly increase their profit margin.

Take Action!!

Congress is currently considering federal Carbon Cap and Trade legislation (S. 2191). Contact your federal Representative and Senators and let them know that the Indiana Congressional delegation should be in the business of protecting our near term and long term economic interests and environmental quality. To accomplish this, utility companies must not get their way.

Tell your Congressperson and US Senators Richard Lugar and Evan Bayh that S. 2191 should:

- Include hard caps and mandatory reductions of carbon dioxide by 80% by 2050 to avoid the most severe impacts of global warming.
- Include a 100% auction of pollution allowances so that polluters will have to think twice about building more coal plants.
- Oppose any grandfathering of existing coal-fired power plants or those now under construction to ensure no plants are exempt from carbon regulations.
- Support a 5-year moratorium on new coal-fired power plants.
- Mandate utility companies to meet 15% of their electric demand with energy efficiency measures by 2020 to reduce the rate impacts of our heavy reliance on coal.
- Mandate utility companies to meet 20% of their electric demand with renewable resources by 2020 to reduce the rate impacts of our heavy reliance on coal.
- Allocate the revenue generated from the auction of carbon dioxide allowances (credits) to provide rate relief for low- and fixed-income ratepayers and investments in energy efficiency and renewable energy.

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