



Statement of Principles and Climate Policy

The Climate Policy Group, a public power alliance (Climate Policy Group) consists of public power utilities that collectively seek to provide input into the debate on global climate change and to work within the legislative and regulatory framework to craft a rational and economically viable federal policy on mitigating climate change impacts.

Should the U.S. choose to undertake a new federal policy on addressing global climate change, the Climate Policy Group believes the policy must comply with the following minimum principles and standards:

- ❑ CO₂ must be addressed on an economy-wide basis
- ❑ Research and development must be expanded significantly to develop cost-effective technologies to capture, sequester and/or reduce CO₂
- ❑ Coal-fired generation must remain a source of stable and affordable electricity supply as a matter of national security
- ❑ CO₂ policy must protect the U.S. economy by balancing U.S. economic interests with emerging industrial nations
- ❑ The production of electricity with zero emission technologies must be expanded
- ❑ Energy conservation and efficiency must be increased
- ❑ Incentives to promote new technologies must apply to all types of electric utilities
- ❑ A cap and trade system is not appropriate for controlling CO₂ emissions due to the lack of affordable, reliable and commercially available control technologies.
- ❑ If the federal government decides to regulate CO₂ emissions, such a program should be controlled only at the federal level under a single regulatory regime

Understanding the objective of federal legislation and/or regulation is necessary to crafting a policy that can attain success. What are the goals of the policy? What are the costs and the anticipated benefits? Do proposed legislative and regulatory policies achieve the hoped-for benefits? Do proposed U.S. actions achieve environmental improvement that can only be measured on a global scale? Are developed and developing nations' policies commensurate with U.S. action? Will U.S. economic growth, which is necessary to develop needed technologies, be compromised? Are U.S. actions designed to assure that the ability of the U.S. to compete internationally is not harmed?

Whatever policy the U.S. chooses to pursue, the objectives should be clearly articulated and the policy should be designed to meet those objectives. The Climate Policy Group will work on behalf of our consumers and the communities we serve to ensure these principles are embodied in any federal legislation or regulatory action.

The Climate Policy Group utilities serve over 7,000,000 customers in six states. With generating resources of 21,000 MW of capacity and over 75% of energy needs derived from fossil fuel based resources, our customers have a significant stake in the outcome of this debate.