

CLIMATE ISSUES

Our response to climate legislation

On Friday, June 26, the United States House of Representatives narrowly passed the Waxman-Markey climate change bill or national energy tax (also known as "cap and trade"). As your electric cooperative we have been sounding the alarm for nearly two years about the need to balance any climate change legislation with affordable and reliable electric power. We have attempted to educate our electricity members and our members of Congress about the importance of finding a balanced solution to the climate change issue. We thank Representative Travis Childers (D-Tupelo), Representative Gregg Harper (R-Pearl), and Representative Gene Taylor (D-Bay St. Louis) for standing with the people of Mississippi and voting against this dangerous legislation. With the passage of this bill in the House of Representatives, affordable and reliable electric power is now in jeopardy more than any time in our recent history. The bill now goes to the United States Senate where vigorous debate is expected.

Independent studies show a national energy tax will put thousands of Americans out of work. Analysis by Charles River Associates estimates it will cost the average family "nearly \$1,500 per household per year." The Wall Street Journal says it is "likely to be the biggest tax in American history." President Obama himself said under his "cap and trade" plan, "electricity rates would necessarily skyrocket."

This bill contains a highly regressive and complex tax formula to reduce carbon emissions that will adversely impact poor and fixed income families in Mississippi. These families already spend a large amount of their income on utility bills. Affordable electric service is a necessity not a luxury. The proposed legislation will raise electric

rates, exposing consumers—especially low income families—to disproportionately significant increases in these costs.

Revenues proposed from this tax plan will be used to fund other government spending programs, rather than find viable solutions to climate issues. Items such as health care and the "middle class" tax cut have been mentioned. This deceptive tactic should be rejected and such important issues should be dealt with on their own merits.

Initially this was to be Climate Change legislation. However, little of the revenue is proposed for technology development that provides alternatives to carbon emissions.

Today's technology cannot meet the goals being discussed, especially in the electric industry. We need investment in technology to begin to solve this difficult issue, and this legislation does not provide that level of investment. The

alternative that is passively being allowed to take root is the concept of raising energy prices to the point people cannot afford them, and effectively force a reduction in usage. Quality of life for Mississippi families will be the victim of that strategy.

As the bill heads for debate in the United States Senate, we stress the following goals:

1. Ensure full and complete disclosure and debate of all provisions.
2. Identify cost to the ultimate consumer. What we see is:
 - a. Low cost projections for early years;
 - b. Exponential increases within 10 years;
 - c. Market driven prices during a highly charged inflationary period.
3. Make available the energy resources Mississippi needs.
4. Do what's best for all Mississippi families.

The role of Electric Power Association's of Mississippi:

We are consumer advocates for more than 1.8 million Mississippians who depend upon affordable, reliable electric service to protect their quality of life.

We encourage our Senators to:

- Oppose this legislation in its present form;
- Seek fair and open debate of the consequences to consumers;
- Oppose the use of revenues for other than energy-related purposes;
- Watch this legislation carefully, for it may define our economic future.

We encourage our electricity consumers to:

- Call your United States Senators and oppose the House bill in its current form;
- Encourage your friends and family to do the same.

East Mississippi Electric Power Association will be closed in observance of Labor Day on Monday, September 7.

For an emergency or to report an outage, please call 601.581.8600

