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BOARD UNANIMOUSLY OPPOSES "AMERICAN POWER ACT" (THE NEW CAP & TRADE BILL)

Senators Kerry and Lieberman have introduced a new version of the "cap & trade" energy tax which is now patriotically called the "*American Power Act*." At their June meeting, the seven IREA board members voted unanimously to oppose this legislation.

Like the earlier failed cap & trade bill, this legislation calls for a 17% reduction in CO₂ below 2005 levels by 2020, and 83% by 2050. To put this in perspective, the last time the U.S. produced so little carbon-based energy was 1867. For each individual, this would mean a huge reduction in standard of living and quality of life.

The bill calls for the cost of "*emission permits*" to double in ten years and continue to increase yearly

thereafter, so the expense would be astronomical. Energy costs would increase by trillions of dollars, plus there would be trillions of dollars in added costs for food and other products because of the increased energy costs for producing food products and the manufacturing all other products.

Furthermore, even if this level of reduction were possible, it is estimated that these draconian measures would reduce temperatures only 1/15th of a degree Fahrenheit by 2050 and 1/5th of a degree Fahrenheit by the year 2100.

The only positive aspect of this legislation would be its support for nuclear energy, but environmentalists have vowed to have this support

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BOARD OPPOSES AMERICAN POWER ACT . . .

removed and to fight the construction of any new nuclear plants.

The board resolution (the complete text can be found on our web site) also noted that the *“science of climate change is far from resolved, with prominent scientists disagreeing on the extent to which CO₂ increases influence climate and especially whether mankind has any meaningful impact.”*

Not wanting to waste a crisis, the administration seems determined to link passage of this bill to the oil disaster in the Gulf of Mexico. Readers are reminded that oil supplies only 1% of our electric generation (see chart, next column), thus claims that increasing electricity production from wind and solar sources will *“reduce our dependence on foreign oil”* are specious. Increased use of electricity may prove key to reducing oil imports, but to reach that goal we will need more reliable, efficient base load generation resources. The bill burdens those resources with additional costs.

This is but another effort to force a reduction in energy use by raising the cost of electricity. Xcel Energy is doing this now by implementing a tiered rate structure. Xcel’s residential consumers using more than 500 kWh of electricity each month will **now pay DOUBLE the kWh charge for any energy above that**

level. Since the average Colorado consumer uses 750 kWh per month (according to the Colorado Association of Municipal Utilities), this policy will increase rates almost 18% for the average user.

IREA members are already being responsible by voluntarily conserving energy. We speak to individuals every day who are installing compact-fluorescent light bulbs, adding weather stripping and insulation, replacing old windows, and taking other efficiency measures. They tell us they are doing what they can and they just want us to keep electric rates down. We are listening to our member-consumers and we will continue to do everything in our power—including fighting senseless and expensive cap & trade legislation—to keep rates down.

