

EPSA SUPPORTS A MANDATORY, UNIFORM NATIONAL POLICY TO ADDRESS GREENHOUSE GAS EMISSIONS

Summary of EPSA's Position Paper

“EPSA supports enactment of comprehensive, mandatory federal legislation to require steps to minimize the impact of greenhouse gases on the environment, consistent with the principles stated below. Climate change policies are being developed now, and EPSA companies are an important part of the solution.”

Electric Power Supply Association
February 2007

EPSA members are ideally situated to efficiently implement a national program to minimize greenhouse gas emissions.

- “EPSA member companies are in the best position to successfully deploy new technologies while meeting environmental challenges. Competitive suppliers built almost all of the new power generation in the past decade, and are poised to do so again as the nation embarks on the largest investment in electric power infrastructure in its history. Our track record of efficiency and innovation – including the steps we already have taken to address GHG emissions – makes us a fundamental part of any national program to address this issue.”

A consistent, uniform national policy that maintains American economic competitiveness is more effective than a state-by-state approach.

- “In the United States, the optimal approach would be a consistent, uniform policy that harmonizes with global efforts. Additionally, it is critical that any action taken in the United States maintains the global competitiveness of American industry and our national economy. Although regional and state approaches may help influence a federal strategy, they are not as effective at addressing the issue as a single uniform national policy would be. Consequently, EPSA favors a federal policy to govern GHG reductions applicable to all states and regions.”

A national policy that fosters the deployment of low- and no-carbon technology would accomplish environmental goals while minimizing economic impacts.

- “A national GHG policy should be designed and implemented in a manner that allows for the development and deployment of low- and no-carbon technology to minimize economic dislocations while achieving a path towards sustainable levels of GHG emissions. It should also contain the flexibility to preserve reliability and fuel diversity.”



Market-based regulatory policies and competitive innovation are essential for a smooth transition to low-carbon technologies.

- “A market-based approach to address greenhouse gases can and should be designed to be environmentally effective, encourage new industry entrants and foster innovative technologies, without unduly penalizing current facilities that are needed to ensure a reliable and competitively priced supply of electricity.”

Previous environmental initiatives cannot be blindly applied to greenhouse gas reduction policies.

- “The Clean Air Act’s cap-and-trade programs have been successful for the control of NO_x and SO_x at large stationary sources, but would need to be modified for the most efficient application to GHG concerns. Optimal GHG policies should extend beyond large, stationary sources.”

Investment should face a competitive test to minimize costs to consumers.

- “To help assure the level playing field needed to minimize the cost of new investment in all technologies across the nation, we strongly recommend that *all investment* face a competitive test, where cost overruns and other risks are borne by investors rather than customers.”

Competitive processes are instrumental in any federal support for R&D and deployment of new generation technologies.

- “Competitive processes must also form the backbone of increased federal support for research, development and deployment of new power generation technologies. This must be an essential part of any national GHG policy. This assistance should be available to all qualified parties and use solicitations or processes that provide for competition on price, timeliness, and efficacy in order to maximize their impact and consequent consumer benefits.”

More incentives are needed to help spur commercialization of new, cleaner technologies.

- “Additional incentives should be quickly developed to promote the commercialization of new, low cost, carbon-free and low-carbon power generation technologies.”

Expansion of competitive electricity markets, including open access to the transmission grid, will allow the dispatch of electricity from a wider variety of cleaner, more efficient sources of generation to serve consumers.

Facts on the Fuel Diversity and Generation of Competitive Suppliers:

- According to the Energy Information Administration, competitive suppliers generated 36 percent of their power from coal, 27 percent from natural gas, 27 percent from nuclear energy and 10 percent from other sources (petroleum, hydro, wind, geothermal and other renewables) in 2005.
- Competitive power suppliers account for nearly 40 percent of the installed generating capacity in the United States, and provide reliable and competitively priced electricity from environmentally responsible facilities.