



American Public Power Association

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March 19, 2007

The Honorable John Dingell
Chairman
House Committee on Energy and Commerce
2328 Rayburn House Office Building
Washington, DC 20515

The Honorable Rick Boucher
Chairman
House Subcommittee on Energy and Air Quality
2187 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen Dingell and Boucher:

I am writing in response to your letter of February 27, 2007, requesting our views on a number of issues related to global climate change and the impact of proposals to control greenhouse gas (GHG) emissions designed to address that issue. On behalf of the American Public Power Association (APPA), we appreciate the opportunity to offer our preliminary comments as the Committee develops a record for further proceedings. I anticipate that over the course of the Committee's hearings and other consideration of this issue that APPA will provide additional comments and supporting information.

APPA is the national service organization representing the interests of the over 2,000 state and locally owned electric utilities nationwide that collectively serve over 44 million Americans. Given their nature as community-owned utilities, governed at the local level, and directly accountable to the citizens they serve, public power systems continue to demonstrate a high degree of commitment to environmental stewardship and to addressing environmental concerns.

The public policy question of how best to address global climate change and relevant reductions of greenhouse gases is extremely challenging. In order to help APPA's members and staff sort through the complex scientific, technological and economic issues associated with climate change and public power's generation needs, our Board of Directors formed a CEO Climate Change Task Force in 2006. This group has already met twice and, among other activities, has recommended a set of principles to guide federal legislation on this issue. Those principles were preliminarily approved just last week in the form of a policy resolution adopted by APPA's policy committee. A copy of that resolution is enclosed and the principles themselves are set forth below as part of our response to your first question. Our task force will continue to meet to analyze various proposals and to make further recommendations to the membership. We have not yet taken a position on the mechanism (or mechanisms) to be used to achieve reductions in GHG emissions. I should also point out that many of the questions you have set forth are

quite specific. Our task force has not gotten into that level of detail. To be as useful to you and the Committee as possible, I have attempted to respond to your questions but would caution that our views might evolve as APPA's task force and members become more conversant with this very complex and multi-faceted issue.

Also, as discussed in our response to question 5, many of our members have undertaken local initiatives to reduce GHG emissions including efforts to reduce their carbon footprint, increase both customer and system efficiency, and provide more electricity from renewable energy sources. Given the size and diversity of APPA's membership, we have not tried to provide examples of specific programs or initiatives of individual members. In addition, APPA is participating in various activities and providing tools to our members to assist them in achieving these goals. Additional information is provided in response to question 5, but briefly summarized, APPA's own programs and initiatives include:

- APPA is a signatory to the Administration's Memorandum of Understanding establishing the voluntary Climate VISION programs and a participant in the Power Partners program element designed for electric utilities.
- APPA is a participant in the Department of Energy's recently established National Action Plan for Energy Efficiency.
- APPA's TREE POWER™ program, established in 1991, now includes 255 public power systems. As a part of this program, APPA offers its members use via the internet of the Tree Estimator, a program designed to assist members in determining what kinds of tree-planting efforts would be most beneficial in their communities.
- APPA offers its members a wide variety for programs, workshops, and other materials to assist them in understanding and implementing a variety of projects and other activities that contribute to reductions of GHG emissions.
- APPA continues to be actively engaged with Congress in advocating for increased federal incentives to spur generation of renewable energy and to enhance energy efficiency.

Following are our responses to the questions posed in your letter:

1. Please outline which issues should be addressed in the Committee's legislation, how you think they should be resolved, and your recommended timetable for Congressional consideration and enactment. For any policy recommendations, please address the impacts you believe the relevant policy would have on:

- a) emissions of greenhouse gases and the rate and consequences of climate change; and
- b) the effects on the U. S. economy, consumer prices, and jobs

As mentioned above, APPA has recently adopted a new policy resolution on climate change legislation sponsored by our CEO Climate Change Task Force (copy enclosed). This policy guides the association's current activities and is the basis for our response to your letter. The resolution acknowledges that increasing public concern is prompting additional action by policymakers, including Congress. The resolution "urges Congress to carefully consider all solutions for addressing climate change." This includes enhanced

voluntary efforts to reduce GHG emissions coupled with federal action to accelerate relevant technology research and development, as well as mandatory federal programs such as a cap and trade system or tax. In any event, APPA's resolution further calls on Congress to incorporate the following principles "in any new federal policy designed to address emissions of greenhouse gases." Those principles state that federal legislation must:

- Be economy wide and apply to all industry sectors;
- Consider the financial impact on and the ability of consumers to afford any proposed greenhouse gas emission reduction program;
- Protect the ability of U.S. industries to compete in world markets and carefully consider the international competitive impact on U.S. jobs;
- Allow credit for early actions taken to reduce greenhouse gas emissions;
- Maintain reliability, protect national security and avoid over-reliance on any single fuel by recognizing the importance to the nation of preserving a diverse mix of electricity generation fuels, including coal, nuclear, natural gas, and all renewable energy sources including hydro;
- Place an enhanced and immediate economy-wide focus on energy efficiency for all energy uses;
- Ensure that tax-based or other incentives for the development and deployment of renewable and clean energy facilities and programs are provided on a comparable basis to all electric industry sectors including public power;
- Recognize and address regional differences that can impact the fairness and effectiveness of any program designed to address greenhouse gas emissions.
- Include additional and expanded federal support for research, development and deployment of cost-effective technologies to reduce, capture, transform, transport or sequester greenhouse gases from emission sources throughout the national economy.
- Ensure that any generation portfolio requirements allow all low emission technologies.

With regard to the timetable for congressional consideration and enactment, we urge you to take the time necessary to make fully informed decisions and develop a broad consensus for further action. We commend you for the series of hearings you have undertaken to delve into the details of this multi-layered issue. It is critical that the Committee get all the facts on important elements of the issue. For example, any carbon dioxide (CO₂) reduction program, whether under a cap and trade or other system, must acknowledge that there are considerable uncertainties remaining with regard to the technological feasibility of carbon control technologies. This considerable uncertainty also extends to the capture, transportation, and sequestration or storage of carbon dioxide into geologic formations.

Specifically, Congress must have a realistic timeframe for when these technologies might become commercialized and economically feasible. APPA believes that legislation should include technological "off ramps" that are triggered if these CO₂ control or transformational technologies do not materialize. Should these transformational

technologies or CO₂ controls fail to be commercialized for the bulk of the utility generation fleet, the emissions control program should be frozen in place and no further tightening of the program should occur.

Another important element is the need for additional infrastructure to support any new GHG emissions reduction program. In order to achieve CO₂ reductions, for example, considerable investments into the building or retrofitting of infrastructure such as pipelines that can transport ≥ 2800 psi for CO₂ to locations for geologic sequestration or storage. Congress and State governments may also need to address right-of-way, use of eminent domain and other issues in order to cross State and other jurisdictional boundaries to transport CO₂ via pipelines since most State laws do not currently recognize CO₂ in the same way that their laws treat oil, gas or water.

There are also questions that arise related to liability, particularly with the injection of substances into the earth, and the regulatory impacts on such activities under other federal statutes such as the Clean Water Act, the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or "Superfund" as it is commonly known), Endangered Species Act and Safe Drinking Water Act. These questions must be resolved before any widespread use of carbon capture, conveyance/transport and geologic sequestration or storage may be used in commercial and broad applications for utility CO₂ emissions. While the oil industry has had highly successful use of Enhanced Oil Recovery (EOR) for tertiary recovery of oil and gas, there are many differences in the infrastructure, risk tolerance, and insurance coverage of oil/gas companies (or oilfield services companies) versus state and municipally owned utilities.

In addition, as contained in the APPA principles, legislation must "consider the financial impact on and the ability of consumers to afford any proposed GHG emission reduction program." Electricity prices continue to rise in most areas of the nation and there is no doubt that a federal climate change program will add to the cost of electricity, a cost that will be borne by consumers. APPA urges the committee to consider in particular the impact on electricity costs of overlaying a GHG emission reduction program on the areas of the country where the wholesale electricity markets are run by regional transmission organizations or independent system operators (RTOs/ISOs). In these RTO-run markets, we believe electricity prices are artificially inflated through a number of factors including faulty market design, pricing mechanisms that allow for wind-fall profits, the exercise of market power, and inadequate market monitoring.

One example of the unintended consequences of the intersection of a GHG emissions reduction program and these dysfunctional RTO-run markets occurs in the way the spot market auctions are conducted. These auctions use a single clearing price method where the price bid by the last unit dispatched to meet the demand for a particular time period (hour-ahead or day-ahead) establishes the price for electricity from every generation unit dispatched during that same period. Under this mechanism, when the clearing price for a time period is set by a fossil fuel burning power plant that had to buy allowances under the emissions reduction program, every other owner of generation dispatched during that time period, for example nuclear units, will receive that same price. This, then, results in an additional wind-fall profit to the owners of lower cost generation because the price

they receive from the market will include the cost of allowances purchased by the last-dispatched generator.

We recognize that this committee has a long history of examining some of the most important and complex policy issues to arise in our society and successfully developing legislation with strong bi-partisan support. We urge you to employ that same approach to this issue and to take the time necessary to do so. We look forward to providing you with additional information and recommendations as our members continue to assess the impacts of various climate change proposals on their customers, their local economies, and their operations.

2. One particular policy option that has received a substantial amount of attention and analysis is “cap and trade.” Please answer the following questions regarding the potential enactment of a cap-and-trade policy:

As discussed above, APPA’s current policy is guided by the principles adopted by our members. Those principles do not endorse a specific federal approach to GHG emissions reductions, instead urging Congress to consider “all solutions.” Nevertheless, we recognize, as you do in your question, that the most popular approach currently is a cap-and-trade program. So, while we do not endorse a cap-and-trade program we want to be as responsive to your questions as we are able. We have analyzed and discussed variations of this approach with many of our members and our task force, including hearing presentations from experts as well as Members of Congress and their staffs who support such an approach. We have also heard presentations from critics of this approach. Based on this, we believe we can offer some constructive comments on the specific questions below even though our members have yet to embrace a specific policy. In a limited number of instances, however, we cannot.

While we recognize the political support for a cap-and-trade program, many of our members have well-founded concerns with such a program. Many of these concerns are related to the current unavailability of certain emissions control and other important technologies as discussed briefly above. One element seems clear: any requirements for emissions reductions must be tied to the broad and reasonably priced availability of pertinent technology. Any other approach would, by definition, be unrealistic and thus only add to the uncertainty that is now, in part, spurring calls for federal action.

We also acknowledge that another option for addressing the climate change issue is to establish a tax on, for example, the carbon content of fuels. Economists who addressed our task force have advocated that a tax is the simplest and more equitable way to address the issue. And there is considerable literature authored by highly-qualified individuals to support this view. In addition, it has been pointed out to our task force that a cap and trade program with an “economic safety valve” is essentially a tax with less transparency and a far more sophisticated set of administrative procedures and allocations. Congress, however, should enact one system or the other, but not both for the electric utility sector.

a) Which sectors should it cover? Should some sectors be phased-in-over time?

As set forth in our policy resolution, we believe any GHG emissions reduction program should include all sectors of the economy. The electric utility sector accounts for approximately one-third of the total GHG emissions in the U.S. The utility sector should not be asked to provide more than a proportionate share of GHG emission reductions.

b) To what degree should the details be set in statute by Congress or delegated to another entity?

Given the significance of the decisions that must be made, APPA believes that Congress cannot delegate to an implementing agency the framework or the allocation decisions (assuming Congress adopts a cap and trade approach) without providing clear direction as to what is expected. We would suggest that the Congress give the implementing agency or department the flexibility to make adjustments should technology or economic circumstances warrant.

APPA believes that there should be some consultation with the U. S. Environmental Protection Agency (EPA) and the States during the legislative process. While any GHG cap and trade program would be significantly different and vastly larger than the acid rain program under the Clean Air Act, there would be merit to hearing from the EPA regarding lessons learned from the acid rain program. However, the enormity of reducing greenhouse gases means that a cap and trade program to reduce carbon (and perhaps other greenhouse gases) would be administered very differently than the acid rain program.

c) Should the program's requirements be imposed upstream, downstream or some combination thereof?

APPA believes that it is too soon to know what type of cap and trade program the Congress might design to best suit the economy and the various industrial sectors given the inherently international nature of business in the 21st century. APPA believes that these answers are precisely what the Committee should undertake to learn during these hearings. One question that APPA offers is: do we yet know the upstream and downstream economic impacts for cap and trade programs? Prior experience with cap and trade has been in relation to emissions from coal-fired generation for the purpose of reducing SO₂ to meet acid rain goals. Incorrectly placed cap and trade mechanisms could distort impacts from one sector to another.

d) How should allowances be allocated? By whom? What percentage of the allowances, if any, should be auctioned? Should non-emitting sources such as nuclear plants, be given allowances?

With the acid rain program, Congress was dealing with a discrete number of entities – essentially coal-fired power plants. The allowance allocation process was difficult and contentious. If Congress pursues an economy-wide program, the complexities of making the allocation decisions will be enormous. This fact is frequently cited by economists and

others to be one of the most significant drawbacks of a cap and trade program. Any cap and trade allocation system will result in “winners” and “losers” as well as unforeseen consequences due to the difficulty of predicting potential impacts and the political compromises needed to produce a bill. Because a carbon tax is likely to provide the same emission reduction incentives as a cap and trade program with a safety valve, Congress may want to weigh the advantages of carbon tax in avoiding the political and economic complexities associated with developing an allocation system. APPA has not taken a position on whether non-emitting sources should receive allowances.

e) How should the cap be set (e.g. tons of greenhouse gases emitted, CO₂ intensity)?

APPA does not have a position on this, but encourages hearings to explore the economic impacts of each type.

f) Where should the cap be set for different years?

We have no opinion on this at this time.

g) Which greenhouse gases should be covered?

We believe that all greenhouse gases should be considered and that legislation, at a minimum should include methane, SF 6 and CO₂ into the equation. In the U. S., as in Europe, there has been a focus on CO₂ and virtually no attention paid to other greenhouse gases. In addition, consideration should be given to the differences between various types of GHGs with regard to their relative impact on the greenhouse gas effect, their ability to be captured and used for other purposes, etc.

h) Should early reductions be credited? If so, what criteria should be used to determine what is an early reduction?

Our policy resolution asks that legislation give “credit for early actions taken to reduce greenhouse gas emissions.” We have not yet tackled the complexities of the criteria to be used

i) Should the program employ a safety valve? If so, at what level?

Our policy resolution urges that legislation consider the “financial impact on and the ability of consumers to afford any proposed greenhouse gas emission reduction program” and that it “protect the ability of U.S. industries to compete in world markets.” We view these provisions as encompassing some type of “safety valve.” The term “safety valve” is frequently used in reference to a cap and trade program that includes an option for the sale of additional allowances at a specified price. While APPA’s policy does not endorse a cap and trade approach, we are aware that such a safety valve reduces the risks of economic swings and disruptions. There are other types of safety valves that might be considered. For example, we assume legislation would provide for the allocation of a decreasing number of allowances over time, or for the ratcheting up of a carbon tax. Such provisions should be accompanied by a “tolling” mechanism that could come into

play under various situations such as the failure of technological advances to meet today's expectations or the refusal of other countries to carry forward their own GHG emission reduction programs. Based on our policy resolution, APPA could not support any national legislation that did not have mechanisms to protect the U.S. economy.

j) Should offsets be allowed? If so, what types of offsets? What criteria should govern the types of offsets that would be allowed?

While our policy is silent on this point, if offsets broaden the scope of the possible CO₂ and other greenhouse gases that can be reduced and thus lower the overall cost of the legislation, APPA would likely endorse that approach. However, most APPA members, as units of state or local government, might not have the authority to pursue international programs to secure offsets. And even if they had such authority the governing bodies of public power utilities would be very reluctant to assume the risk of participating in international offset projects in developing countries. As a rule, we would urge reductions made in any carbon constraint system to be those that are the easiest and most cost-effective to attain in order to reduce the overall costs of the program to consumers.

k) If an auction or a safety valve is used, what should be done with the revenue from those features?

Again, while we have not specifically addressed this, auctions are problematic for public power because they provide a significant advantage to those with the deepest pockets. Public power rarely falls into that category. As for use of revenues, our resolution asks for "additional and expanded federal support for research, development and deployment of cost-effective technologies to reduce, capture, transform, transport or sequester greenhouse gases from emission sources throughout the national economy." If revenue is raised through auctions (or carbon taxes) it seems logical that it be used, at least in part, for these purposes.

l) Are there special features that should be added to encourage technological development?

APPA believes that Congress should explore a number of features or incentives (financial and otherwise) to stimulate technological development to transform CO₂ into a substance that is not harmful to the environment or man. This transformational development is likely to take decades. A number of areas should be pursued including amine technology, carbon capture and treatment, transformation and, perhaps, storage in some geologic formations.

In addition, APPA supports more technological incentives to help reduce CO₂ emissions from the transportation sector. In another resolution adopted last week by our policy committee, we encouraged Congress to promote plug-in hybrid electric vehicles in a number of ways, including "funding for demonstration projects for city and local governments; creating tax incentives for manufacturers of PHEVs and manufacturers of advanced battery technology; encouraging American consumers to purchase PHEVs

through federal income tax credits; and requiring federal fleets to purchase plug-in hybrids for daily in-town short distance driving.”

Congress should also consider incentives for efficiency measures and devices to give residential customers incentives to use energy more wisely and recognize the cost of electricity with the ultimate goal of decreasing residential consumption of energy and therefore reducing CO₂ emissions. As mentioned earlier, the Department of Energy’s Energy Information Administration estimates that residential uses of energy will translate into the largest increase in CO₂ emissions from power plants over the next 30 years. Without sending the right “signals” to residential consumers, there is really little hope of meeting CO₂ reduction targets through any carbon constraint mechanism.

The most common means by which Congress seeks to stimulate technological development is through the tax code. One such means is the provision of tax credits to encourage investments in certain types of technologies. An excellent example of this is the production tax credits provided to developers of renewable energy facilities. Public power is unable to take advantage of these incentives due to our not-for-profit status. Congress tried to remedy this problem in the Energy Policy Act of 2005 when it authorized the issuance of Clean Renewable Energy Bonds. This program was created to provide not-for-profit public power systems and rural electric cooperatives with a financial incentive comparable to the investment tax credit. Although the solution has significant flaws that we are seeking to address, the precedent of comparable incentives has been set. If Congress is going to provide incentives to stimulate technological development as part of a climate change bill, we ask that this principle of comparability be embraced.

m) Are there design features that would encourage high emitting developing countries to agree to limits on their greenhouse gas emissions?

This is an area where we have little expertise and are thus reluctant to offer much comment. One area Congress should consider, however, is the full spectrum of trade and investment “tools” available to it to provide incentives, loans, or other opportunities to developing countries to increase energy efficiency in all aspects of their society.

3. How well do you believe the existing authorities permitting or compelling voluntary or mandatory actions are functioning? What lessons do you think can be learned from existing voluntary or mandatory programs?

Lessons from existing programs to consider are the cost and uncertainties that can be created by permitting requirements. The permitting title of the 1990 Amendments of the Clean Air Act, Title V, was originally estimated by the Administration to have no cost. Over time, however, the costs of implementing the permitting provisions proved to be one of the more expensive requirements in the Act. Uncertainties over applicability determinations, compliance certifications, monitoring requirements and delays in plant production changes caused by permit modification requirements all imposed greater costs on industry than originally anticipated. Unfortunately, many of these costs were unrelated to achieving emission reductions. Congress should seek to avoid this same

outcome in any climate change constraint legislation in the context of overly difficult verification systems.

4. How should potential mandatory domestic requirements be integrated with future obligations the United States may assume under the 1992 United Nations Framework Convention on Climate Changes? In particular, how should any U. S. domestic regime be timed relative to any international obligations? Should adoption of mandatory domestic requirements be conditioned upon assumption of specific responsibilities by developing nations?

As stated previously, these questions have not been addressed by our Climate Change Task Force or our members. However, the principles recently adopted by APPA's policy committee offer some guidance to APPA staff.

Given the fact that major emitting countries, such as China, will surpass U.S. emissions in perhaps only two years, it would seem prudent that sustained U.S. actions for emission reductions be conditioned on some level of action by other major emitting countries. To do otherwise could have adverse consequences for the U.S. economy. Further, to ignore emissions from other countries would suggest that their participation is not important to success. This is a global issue and action by all countries including of course China and India, will be needed to reduce global emissions, maintain an acceptable balance of trade, and sustain U.S public support for the program.

To deal with this problem Congress might examine the precedents established in the Montreal Protocol. Developing countries were given extra time to reduce stratospheric ozone depleting substances, but were still required to commit upfront to making the reductions.

5. What, if any, steps, have your organization's members or its individual members taken to reduce their greenhouse gas emissions? Which of these have been voluntary in nature? If any actions have been taken in response to mandatory requirements, please explain which authority (State, Federal, or international) compelled them?

APPA has an extremely large and diverse membership. We would like to begin to address this question by describing what APPA has done to assist its members reduce their emissions.

In 1994 APPA along with the other segments of the electric utility industry joined the Department of Energy in the Climate Challenge program, the first-of-its-kind voluntary effort to address greenhouse gases from the power sector. As stated in The Power PartnersSM Annual Report prepared by the Edison Electric Institute and released in January, 2007, the Climate Challenge partnership "eliminated 237 million metric tons of CO₂-equivalent GHG emissions in the year 2002 alone. The power sector comprised about 70 percent of the total reductions and offsets reported to the government that year."

Moving beyond the Climate Challenge program, the electric power sector launched a new initiative in 2003 named Power PartnersSM. The participants pledged collectively to reduce GHG emissions intensity between 2010 – 2012 by 3 – 5 percent below the 2000 – 2002 baseline period. In 2004 we signed an agreement with the Department of Energy that sets forth the framework to meet this goal. The results of the Power PartnersSM efforts based on the most recently available data are set forth in the 2007 annual report referenced above.

APPA and several of its members have also participated in the development of the National Action Plan for Energy Efficiency, an effort facilitated by the Department of Energy and the Environmental Protection Agency. The goal of this project is “to create a sustainable, aggressive national commitment to energy efficiency through gas and electric utilities, utility regulators, and partner organizations.” One of the major challenges this plan seeks to address is global climate change.

In 1991, APPA launched TREE POWERTM to encourage its members to plant trees not only because they beautify the environment but because trees provide energy saving and carbon capture benefits as well. More than 250 APPA members participate in TREE POWERTM. Seventy two of these utilities have received APPA’s Golden Tree Award, which is given to those participants that have planted at least one tree per customer.

Last year, APPA encouraged its members to join the Plug-in Partner initiative launched by APPA member Austin Energy, Austin, Texas. The purpose of this initiative is to encourage the commercialization of flexible fuel, plug-in hybrid electric vehicles to address several critical issues, including global climate change. More than 160 members have joined this initiative, and several of these are financial participants in an EPRI-sponsored research and development program looking at the application of this technology specifically to utility trucks, but with the results of this program advancing the overall goal of promoting all types of plug-in hybrid electric vehicles.

One of the tasks of APPA’s Climate Change Task Force discussed above is the production of a short “What Works” guide to share the results of successful energy efficiency programs (that of course result in a reduction of emissions) undertaken by individual members. The book will discuss programs generically with specific examples and contact information available to members through our Web site. We are currently in the process of collecting data from our members. We would be happy to share this data with Committee staff.

All of the actions mentioned above have been undertaken voluntarily. Several states have recently enacted renewable portfolio standards. For the most part, we do not yet have sufficient data on actions undertaken pursuant to these state mandates to provide meaningful information to the Committee. We have, however, heard from some members in California regarding the legislative initiatives undertaken there and some of the issues that they feel must be addressed going forward.

For example, California now has a 1,000 pound limit per KWh which is the equivalent of a natural gas combined cycle unit. As a result, electricity from coal-fired generation,

The Honorable John Dingell
The Honorable Rick Boucher
Page 12
March 19, 2007

including from Integrated Gas Combined Cycle plants will not qualify. This new requirement has placed significant emphasis on the use of renewables—especially wind generation.

In fact, wind in California now costs twice the cost of coal generation (baseload). But to make the situation more complicated, wind turbines have only 30 percent efficiency so that three 100 MW capacity wind turbine projects must be built to achieve the capacity equivalent of 100 MW of coal or natural gas. While APPA member utilities are great supporters (and users of) of wind generation, wind generation is not yet dispatchable – it is available only when the wind blows.

Another dilemma in California is the consistent pressure to use natural gas over oil, coal or other fuels in electricity generation. Additional pressures to use relatively clean natural gas for power generation (which many feel is not the highest or best use of this fuel) in lieu of other less costly fuels will increase electric rates and place an additional strain on our economy.

We appreciate the opportunity to provide these comments and we look forward to working with you and the Committee on this important issue. Please do not hesitate to contact me, or ask you staff to do so, at 202-467-2901.

Sincerely,



Alan H. Richardson
President & CEO

Enclosure

cc: Members, House Committee on Energy and Commerce