AMERICAN FARM BUREAU FEDERATION®
600 Maryland Ave. SW | Suite 1000W | Washington, DC 20024

ph. 202.406.3600
f. 202.406.3606
www.fb.org

November 17, 2015

To House Energy & Commerce Committee Members:

The American Farm Bureau Federation urges you to support the House and Senate resolutions under the Congressional Review Act (CRA) disapproving of the Environmental Protection Agency's rule regarding carbon emissions from new and existing electric utility generating units.

Farming and ranching are energy-intensive businesses. Farmers and ranchers depend on reliable as well as affordable sources of energy to run their daily operations. Farm Bureau supports the availability and affordability of all sources of energy, including coal, gas, nuclear, wind, solar and other sources. A diverse energy supply is not only critical in keeping energy costs reasonable, but it is essential in ensuring steady and reliable streams of energy to power farms and heat our members' homes. For many farmers, who compete in a global economy, energy represents a major input cost that can ultimately determine viability and prosperity.

One of the toughest challenges farmers and ranchers face is overcoming the obstacles and variability Mother Nature often hands us. That should not be made more difficult by regulations that increase energy and other input costs. Our grassroots members, comprised of hard-working farmers and ranchers from across the country, from virtually every sector of agriculture, have clearly enunciated in our policy strong opposition to regulation of greenhouse gas emissions.

The costs utilities will incur in order to comply with the new standards will be passed on to their customers and, in many cases, farmers and ranchers. Farmers and ranchers are price takers and not price makers, so they lack the ability of many other sectors of recouping their costs by passing them on to customers. Higher energy costs for farmers and ranchers mean higher farm input costs. Additionally, farmers and ranchers could be affected in another, more direct way by any wide volatility in natural gas prices. While recent trends have lessened the linkage of domestic natural gas and fertilizer prices, natural gas is the principal feedstock in the production of nitrogen fertilizer, which is a vital input for farmers and ranchers to grow crops.

Imposing added energy costs on our own economy while other economies are not held to the same standard not only puts U.S. producers and consumers at a disadvantage, it serves little environmental purpose. EPA's regulations will impose billions of dollars in costs on the U.S. economy but fail to meaningfully reduce CO_2 emissions on a global scale. For example, the projected CO_2 emission reduction from the Clean Power Plan is, at most, 555 million metric tons (mmt) in 2030, which represents only 1.3 percent of projected global CO_2 emissions in that year.[1] This reduction in 2030 would offset the equivalent of just 13.5 days of CO_2 emissions

[1] EPA, *Regulatory Impact Analysis for the Proposed Carbon Pollution Guidelines for Existing Power Plants and Emission Standards for Modified and Reconstructed Power Plants*, June 2014; EIA, *International Energy Outlook 2013* (projecting global emissions of 41, 464 mmt in 2030).

from China.[2] Reducing fossil fuel emissions without producing a measurable impact on world temperatures or climate cannot be regarded as a success.

The impacts of the Clean Power Plan on energy affordability and reliability cause significant concerns for our members, and Farm Bureau urges members of Congress to support efforts to overturn EPA's flawed rules, such as H.J. Res. 71 and H.J. Res. 72 by Rep. Whitfield (R-Ky.), and S.J. Res. 23 by Majority Leader Mitch McConnell (R-Ky.) and S.J. Res. 24 by Sen. Shelly Moore Capito (R-Ky.).

Sincerely,

Bob Stallman
President
American Farm Bureau Federation

[2] The Energy Information Administration projects that China will emit more than 14 *billion* tonnes of CO in 2030. Source: http://www.eia.gov/forecasts/ieo/table21.cfm