

Midlands Voices: EPA's Clean Power Plan is trouble for Nebraskans

By Barry L. Kennedy | Posted: Friday, February 19, 2016 1:00 am

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Remember paying last month's electric bill? Now imagine your next electric bill going up as much as 44 percent.

This will become reality for Nebraska ratepayers if the Obama administration gets its way and implements its so-called Clean Power Plan.

The Clean Power Plan is an extreme example of federal rulemaking by the Environmental Protection Agency. It would force states to radically restructure their electricity systems and curtail use of traditional energy sources.

Personal politics aside, we can all agree that without reliable and affordable electricity, modern life as we know it ceases immediately. That is why the plan represents the largest regulatory threat to Nebraska's (and America's) economy — and it's why the Nebraska Chamber supports legal action to stop the plan in its tracks.

The Clean Power Plan has been years in the making. In 2008, then-candidate Barack Obama was unabashed in his support for a “cap-and-trade” system to require states to use more costly and less reliable forms of electricity generation. He was quoted as saying: “Under my plan of a cap and trade system, electricity rates would necessarily skyrocket.”

In 2009 and 2010, President Obama failed to win the votes necessary to enact cap and trade, even though his party controlled both houses of Congress and held a super-majority in the Senate. Moderate Democrats understood the real-world consequences that would have followed had the bill been enacted.

Now the president is trying to push through another version of cap and trade — this time by going around Congress.

The Nebraska Chamber and its members have a strong interest in this issue. After all, affordable and reliable electricity is one of the state's most important offerings.

A comparison by the U.S. Department of Energy found that Nebraska had the ninth most affordable residential electricity rates from 2014 through 2015. Nebraska had the twelfth lowest commercial rates.

These results are due in large part to Nebraska's public power suppliers, who have come under heavy pressure in recent years due to regulations supported by the current administration and

extreme special interests. The Clean Power Plan unfairly targets coal- and natural gas-powered facilities, which produce approximately 70 percent of Nebraska's electricity.

As originally proposed, the Clean Power Plan offered some recognition for existing nuclear power plants — easily the largest single source of carbon free generation in the U.S. and Nebraska. But that was eliminated in the final regulation. This is politics at its worst.

Under the federal mandate, our state would be forced to reduce carbon emissions from power plants by 40 percent. This despite the fact that in 2013, Nebraska had the 14th lowest carbon emissions of all 50 states — lower than any neighboring state except South Dakota, according to government data.

What would the Clean Power Plan mean for Nebraskans' electric bills? A study by NERA Economic Consulting of Boston predicts serious financial consequences, including:

- » A 31 percent annual average electricity price increase for Nebraska — the seventh-highest increase in that category.
- » A 44 percent spike in peak-year electricity prices for Nebraska — the sixth highest increase among the states.

The plan would put the government in control of our energy choices and drive up electricity costs for Nebraska businesses, farmers, consumers and families.

This attempt to fundamentally transform our energy system would cost tens of billions of dollars in annual compliance costs, while significantly reducing our nation's global competitiveness at a time when the U.S. economy is facing serious challenges.

While the United States pursues these draconian reductions in carbon emissions, the rest of the world continues to rapidly increase its use of fossil fuels to improve economies and quality of life. As a result, the president's plan will not reduce global emissions, but instead simply shift them (and U.S. jobs) to countries such as China and India that will not implement similar restrictions.

In an effort to halt the EPA's radical rules, the Nebraska Chamber has agreed to sign onto a "friend of the court" brief in legal action by the U.S. Chamber and National Association of Manufacturers — our national affiliates — and 27 states.

We were pleased to see the U.S. Supreme Court's recent decision to temporarily halt the EPA's implementation of the Clean Power Plan while the legal challenges play out. It is a good first step in the fight to stop the biggest regulatory threat facing Nebraska's economy.

Our economic future — and the ability of our children and grandchildren to prosper — is tied directly to energy reliability and affordability.

Nebraskans who care about keeping electricity affordable for families and businesses need to follow this Supreme Court case closely.