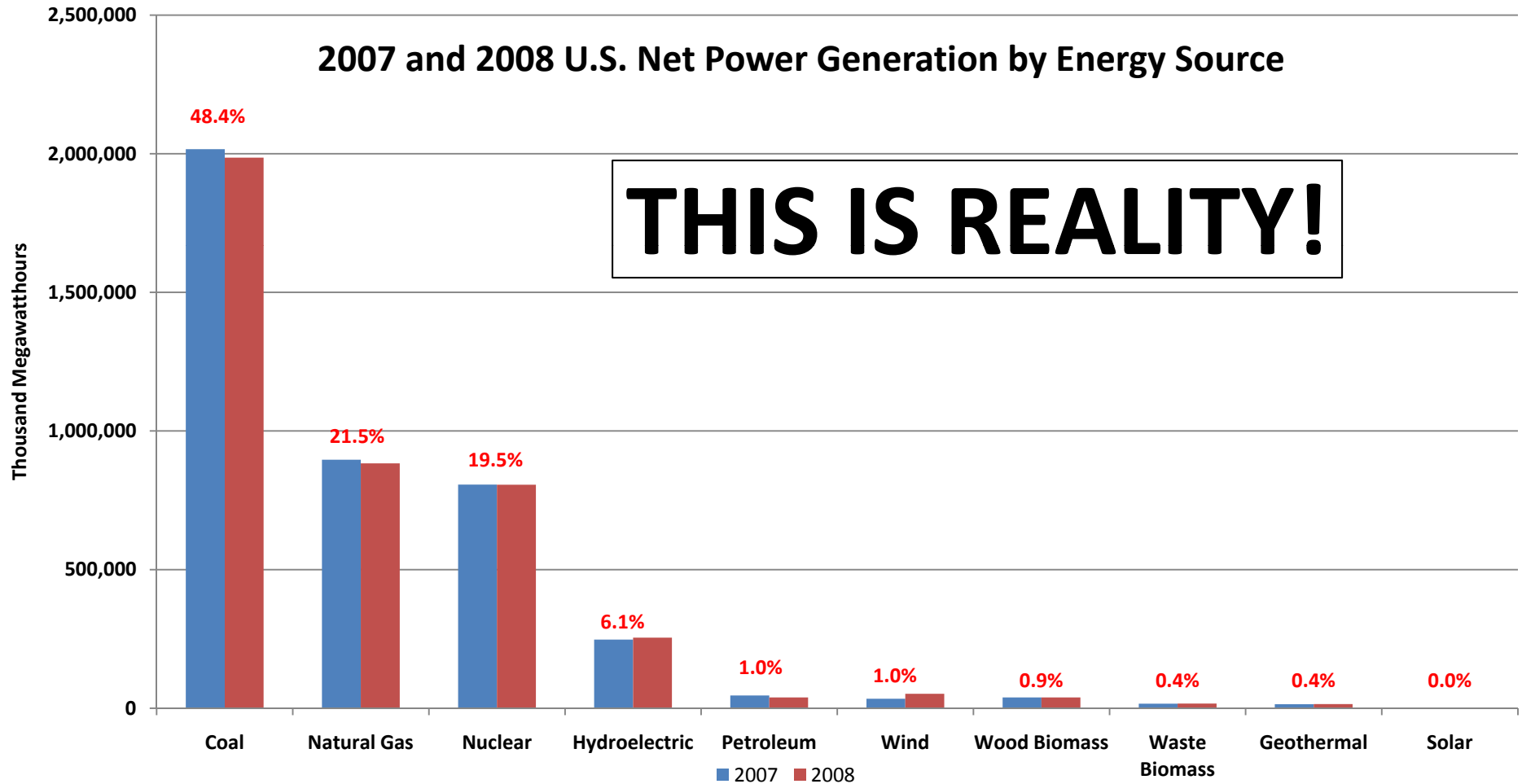


TELL YOUR SENATORS TO VOTE NO TO CAP AND TRADE/TAX
Our Politicians Will Not Change Reality with Cap and Trade Policy But They Can Make
Electricity More Expensive and the US Economy Non-Competitive



Source: U.S. Energy Information Administration

The Power Sector Climate/Energy Bill Is In Fantasy Land!

Draft Power Sector CO₂ Legislation Summary of Preliminary Analysis

WINNERS:

- Wall Street Traders
- Nuke Providers
- Renewable Energy Promoters
- Renewable Service Providers

LOSERS:

- Electricity Consumers
- Jobs and U.S.
Competitiveness
- The U.S. Economy and
federal tax revenues

Note: CO₂ is Green's analysis highlighted in red on the Power Sector Bill whose self description is written in black.

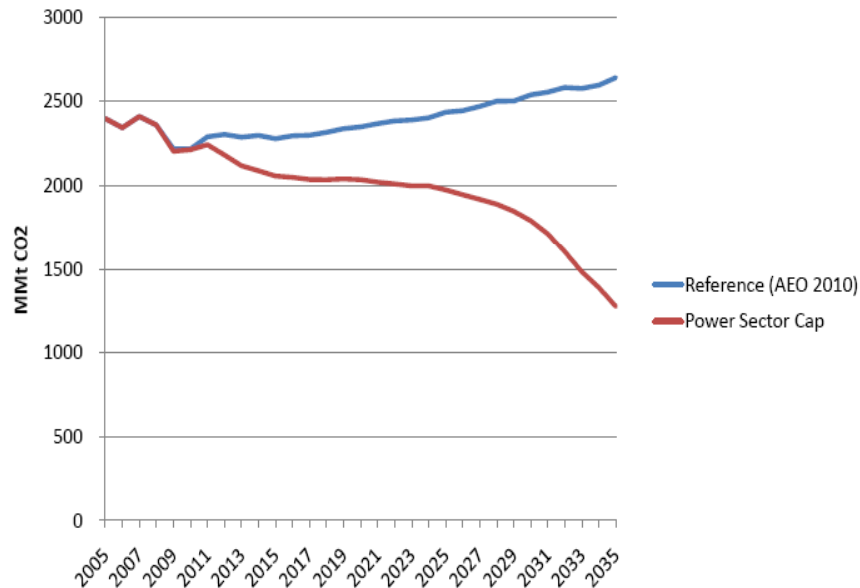
THESE ASSUMPTIONS ARE NOT ACHIEVABLE.

Overview of Modeling Assumptions

- Power sector cap level (reductions from 2005 emissions)
 - 3% in 2012, 17% in 2020, 42% in 2030
- Allowance allocation
 - 50% for consumer benefit through LDCs initially, declining by 5% annually
 - Auction revenues used for deficit reduction in this run; later runs will evaluate other approaches
- Offset use
 - Only domestic offsets permitted; limited to 235.6 MMt annually
- Unlimited banking
- Industrial sources excluded
- Reference case is AEO 2010
- Note that results are a ‘first cut’ and do not reflect all provisions in the draft legislation **Note: This sentence means that the assumptions are NOT dependable.**

THIS BILL WILL NOT HAVE ANY EFFECT ON THE EARTH'S CLIMATE.

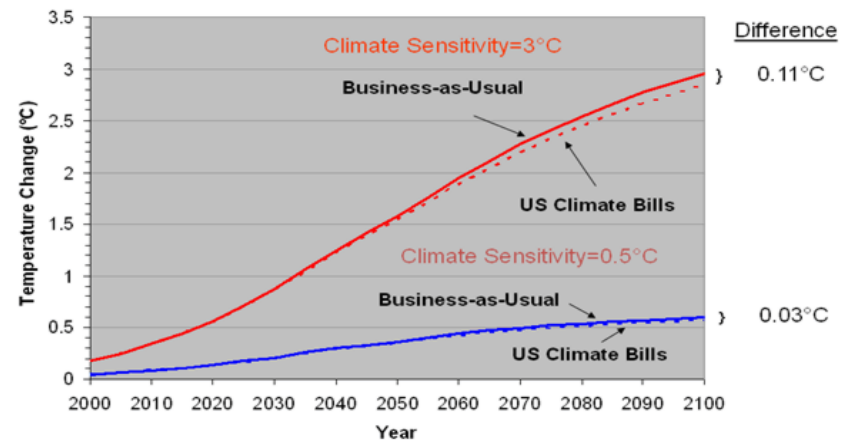
Projected Power Sector CO₂ Emissions (MMt)



- Power sector emissions about 15% below 2005 emissions in 2020

Kerry-Lieberman Cap and Trade Bill

Impacts of US Climate Bills on Projected Global Temperatures

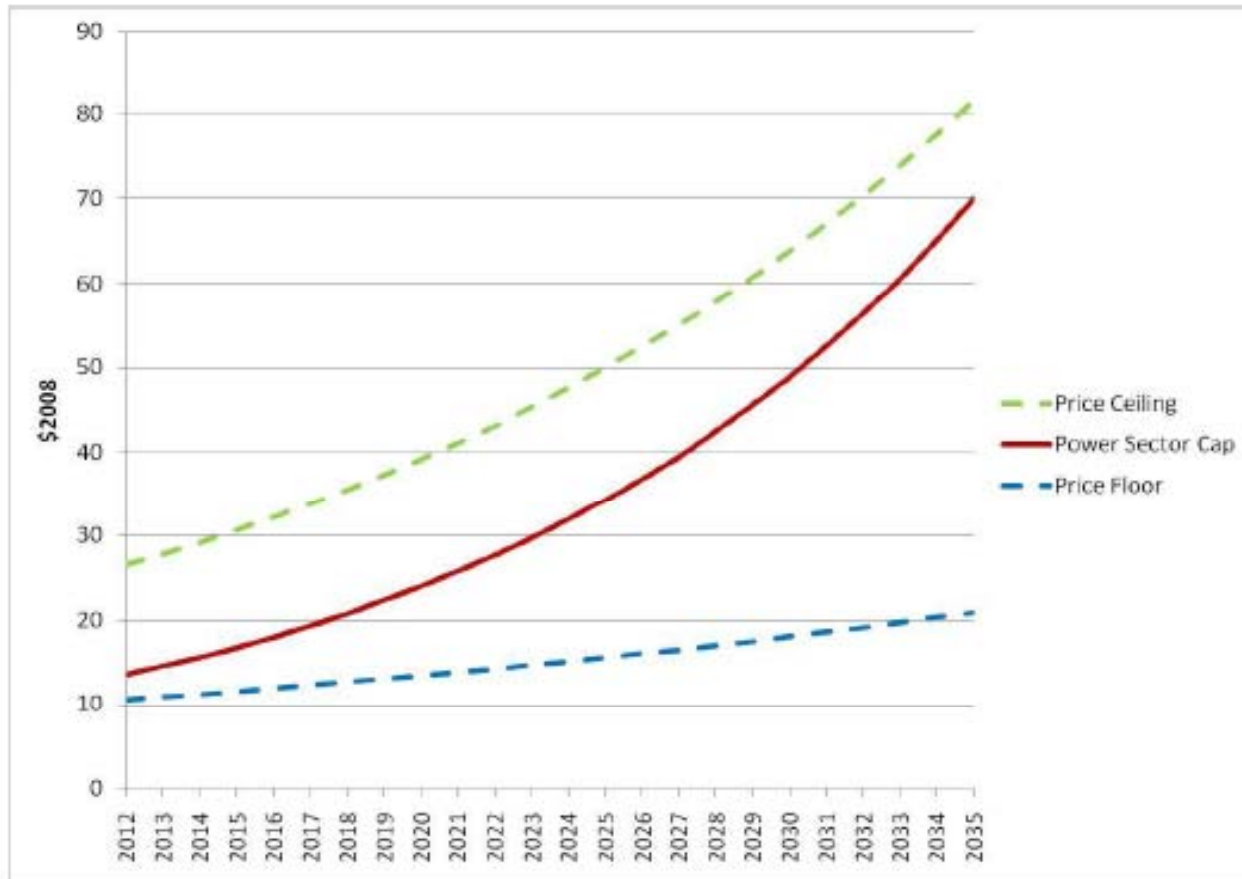


Impacts of both the Kerry-Lieberman and Cantwell-Collins Bills are shown using IPCC's own numbers and format.

The temperature impacts from a high or low sensitivity assumption are miniscule; all pain and no gain.

THIS WILL COST A LOT OF MONEY.

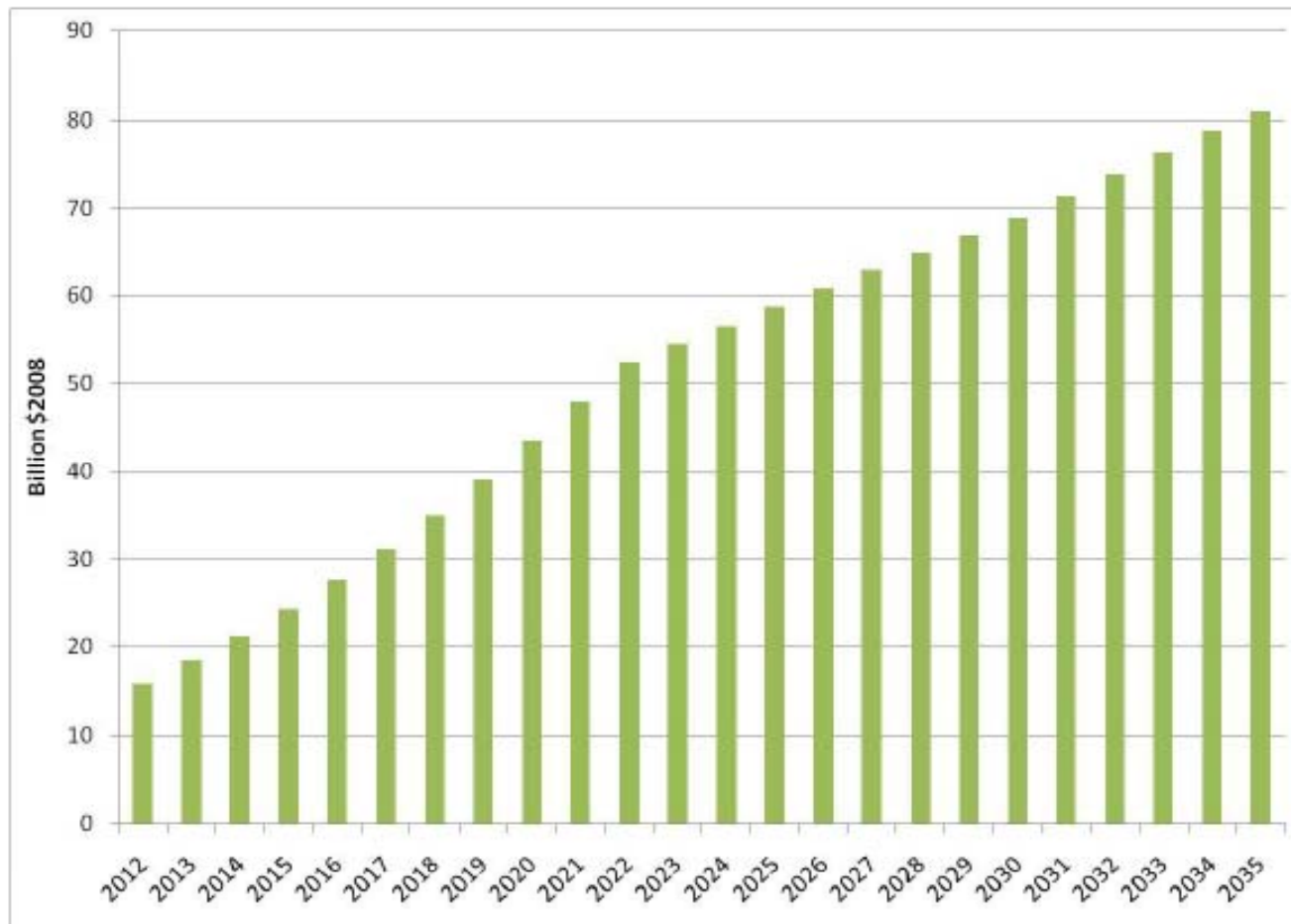
Projected CO₂ Allowance Price (\$2008)



- Allowances price remains within price collar bounds (collar was not included in model runs)
- Grows at 7.4% annually

This chart shows the increase in electricity costs – Add gas, oil, and other fuels and these numbers would double!

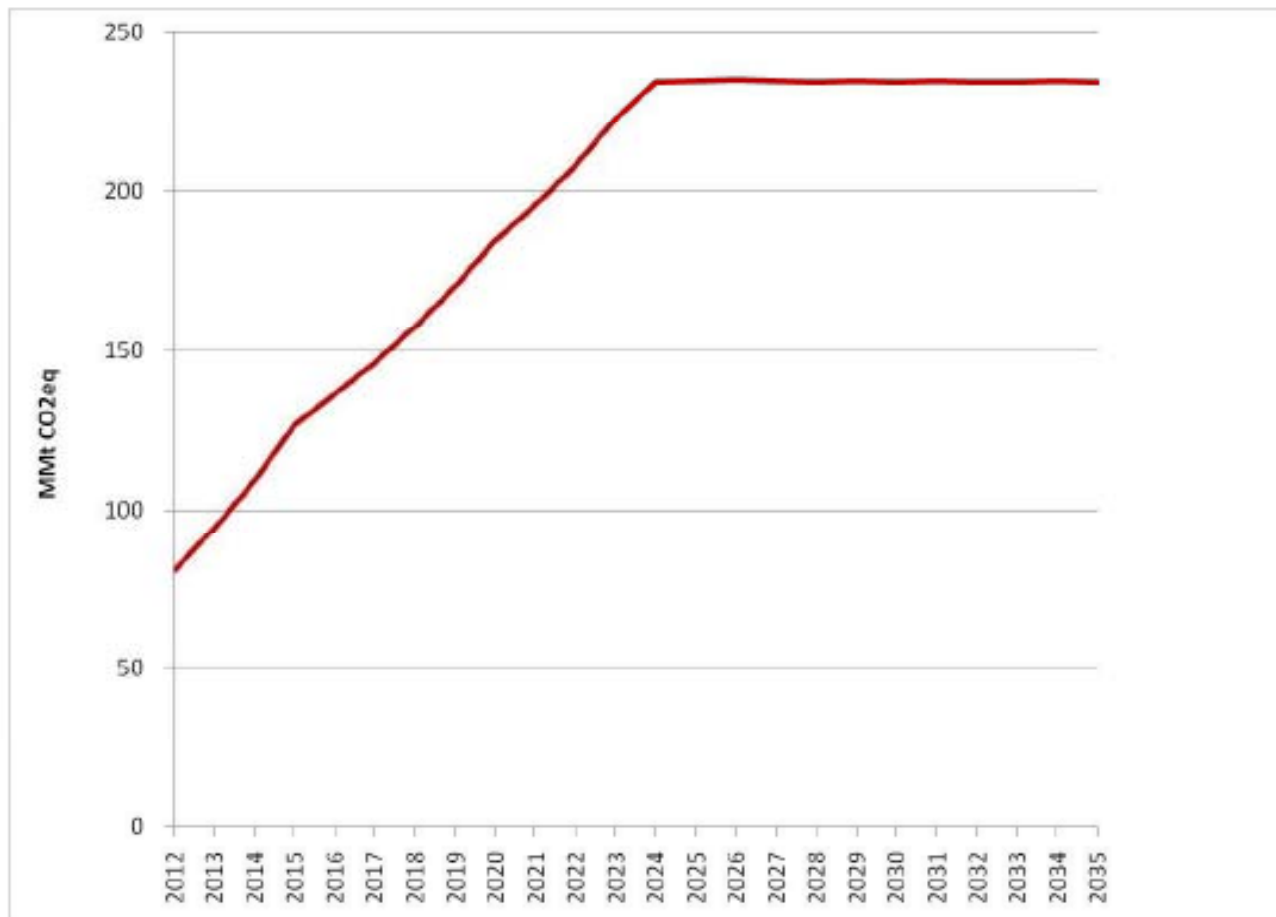
Projected Auction Revenue(Billion \$2008)



- Note: values reflect auction percentages specified in discussion draft

WHAT EFFECT ARE THESE OFFSETS ACTUALLY HAVING? DO YOU UNDERSTAND?

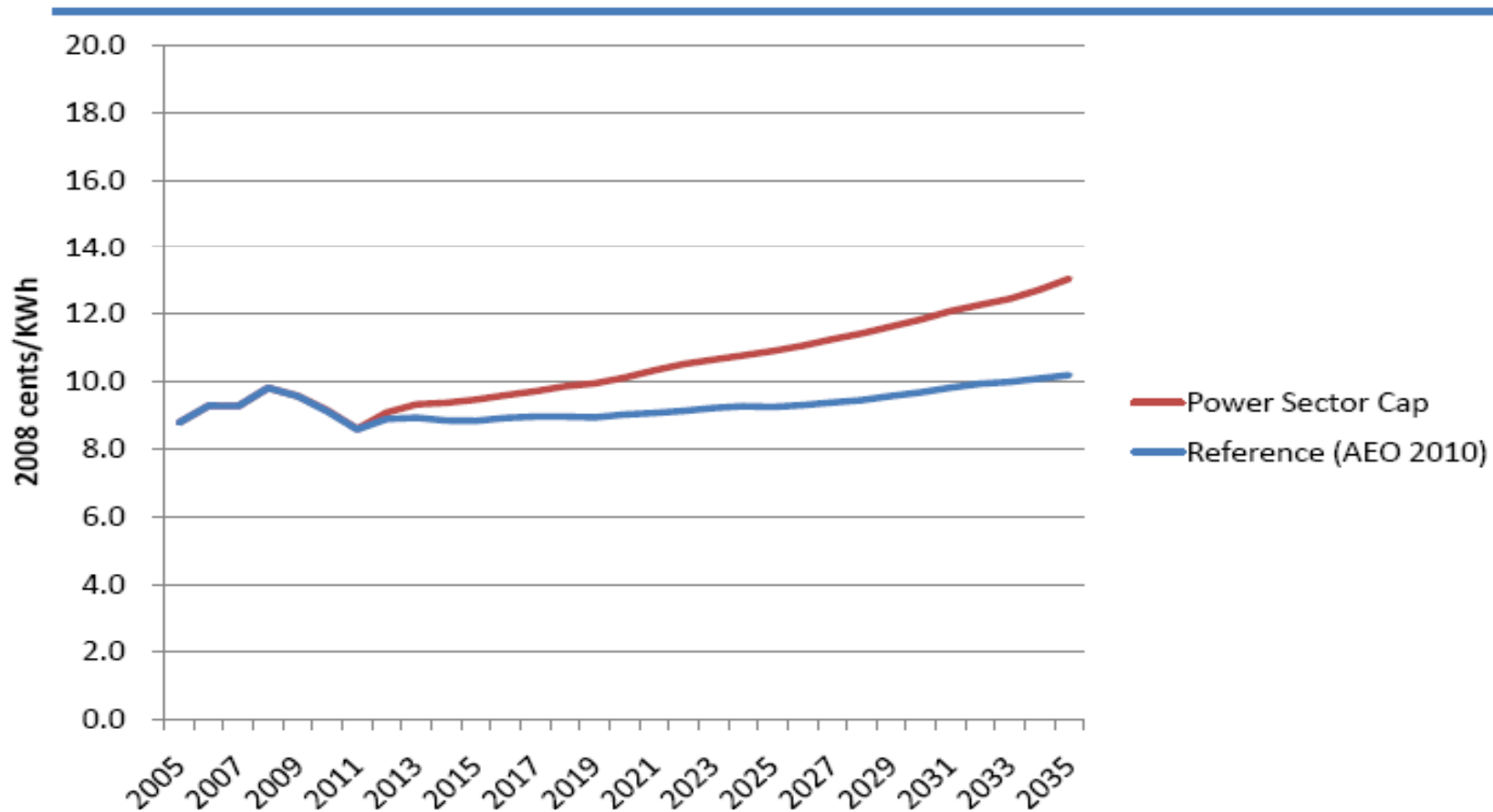
Projected Annual Domestic Offset Use (MMt CO₂eq)



- Domestic offset limit is reached around 2024

DO YOU BELIEVE THIS GRAPH? If taxes are increased on CO2 emissions, how is it possible that prices are not effected?

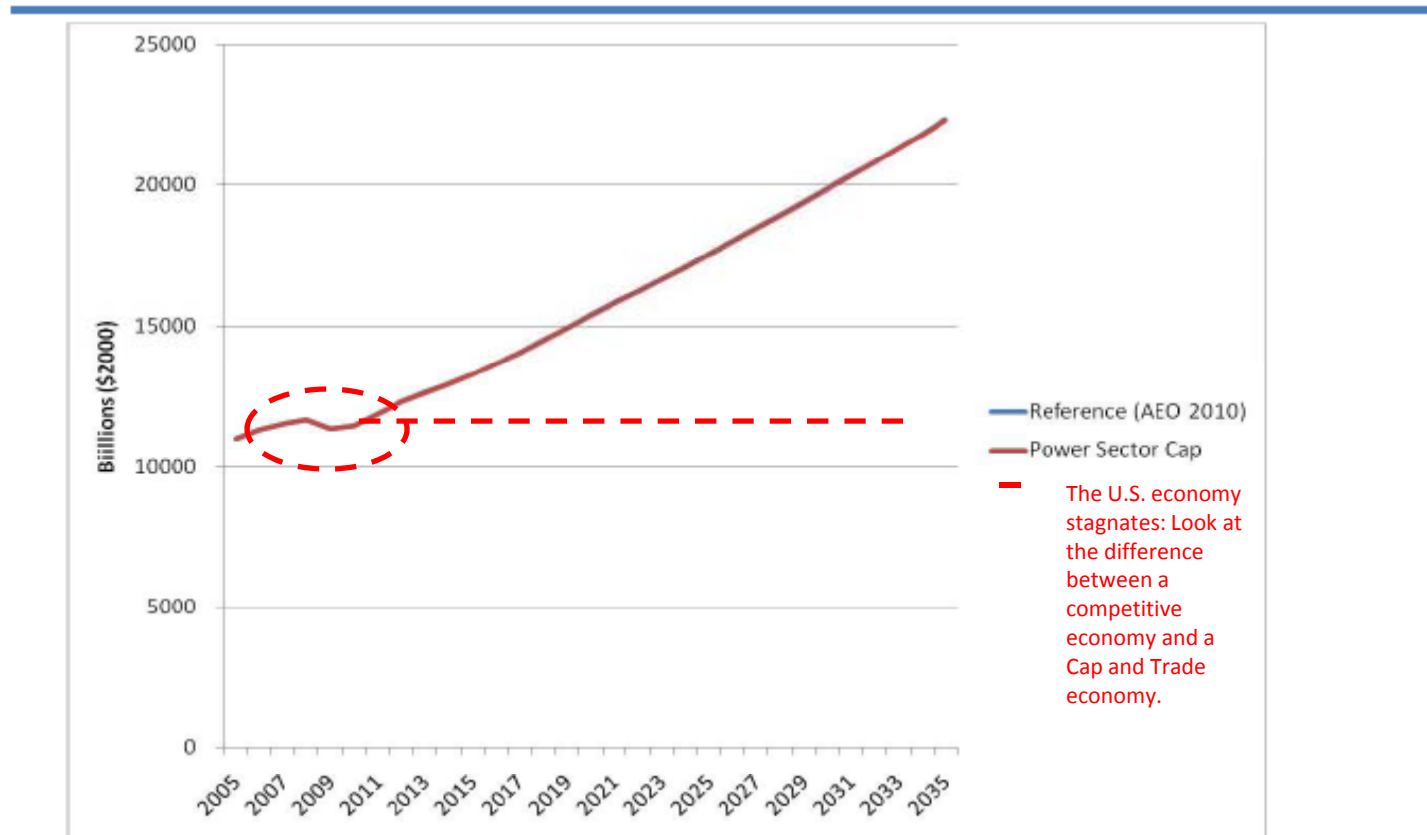
Projected Average Electricity Price (2008 cents/KWh)



- Electricity price under power sector cap about 22% above reference case in 2030; increasing allocation to LDCs would reduce electricity price impact

**This projection of external economic growth is unrealistic:
Look at the 2005 to 2009 actual performance.
What if the economy stagnates because of higher energy
prices? What would the cost of jobs be?**

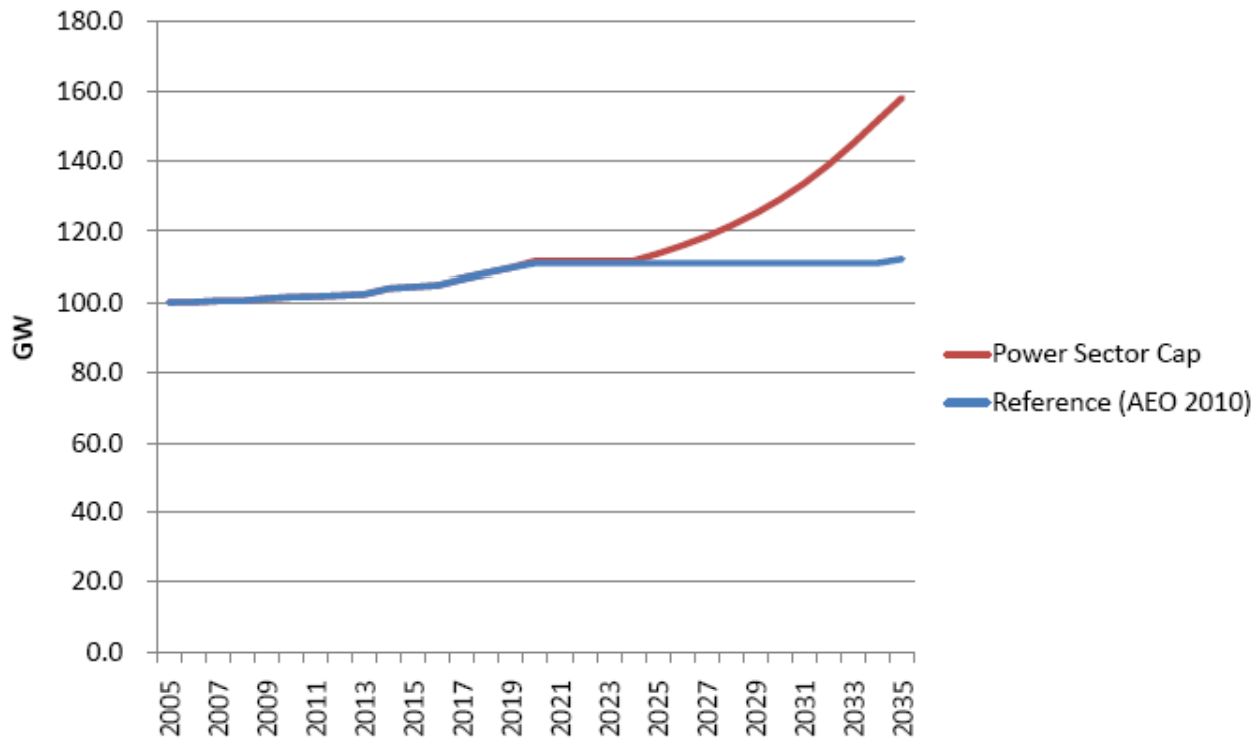
Projected GDP(\$2000 billions)



- Under power sector cap, GDP is 0.1% lower in 2030

IT IS UNREALISTIC TO PROJECT A 60% INCREASE IN NUCLEAR GENERATING CAPACITY.

Projected Nuclear Capacity(GW)



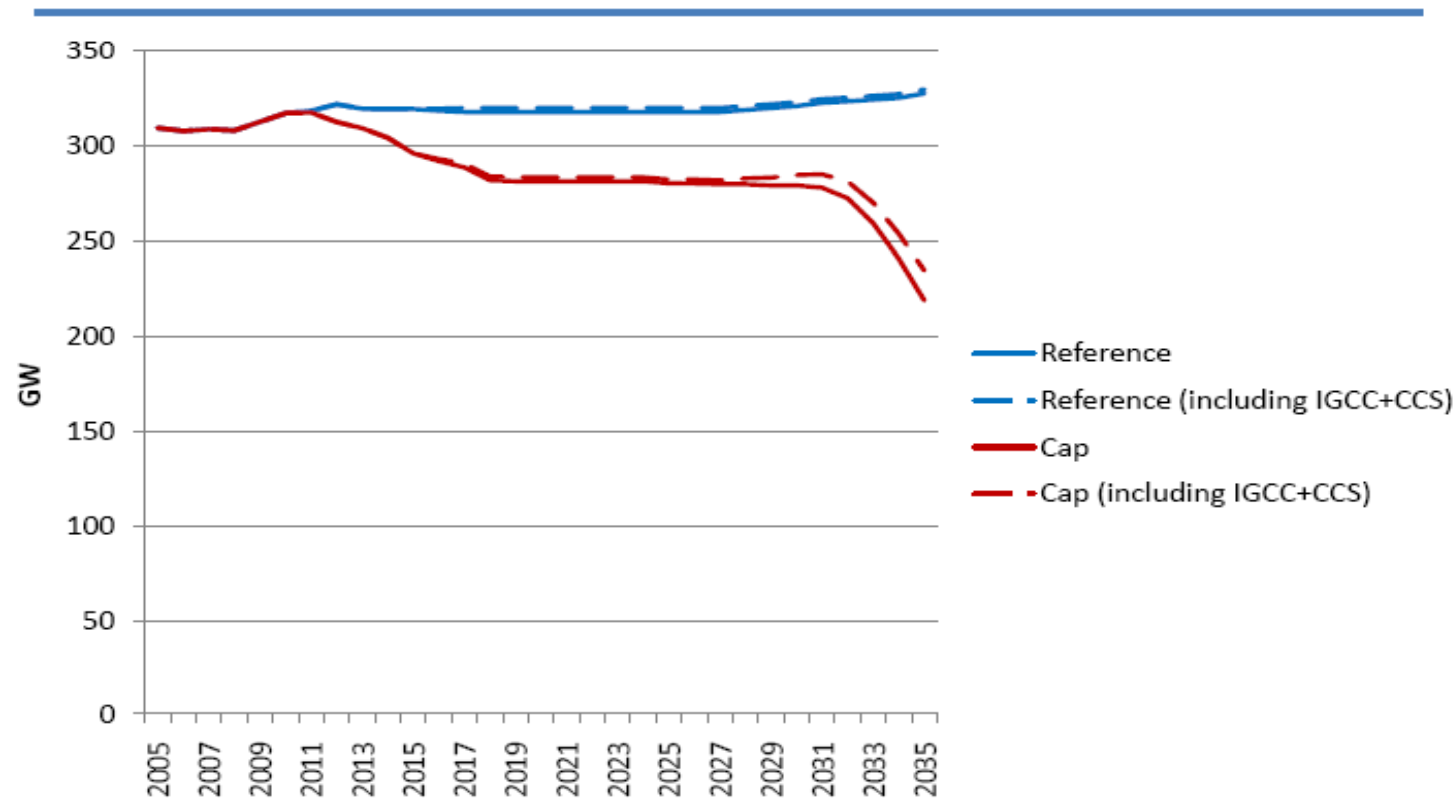
Problems with this projection:

- 1.) There is no permanent storage solution for nuclear waste.
- 2.) There are no U.S. engineers and contractors with nuclear plant building experience in the last 30 years.
- 3.) There are no nuclear plants permitted or under construction at this time.

- Power sector cap alone results in additional 18 GW of nuclear by 2030 relative to reference case

These 100 GW represent about 19.5% of electricity generated by nuclear power.

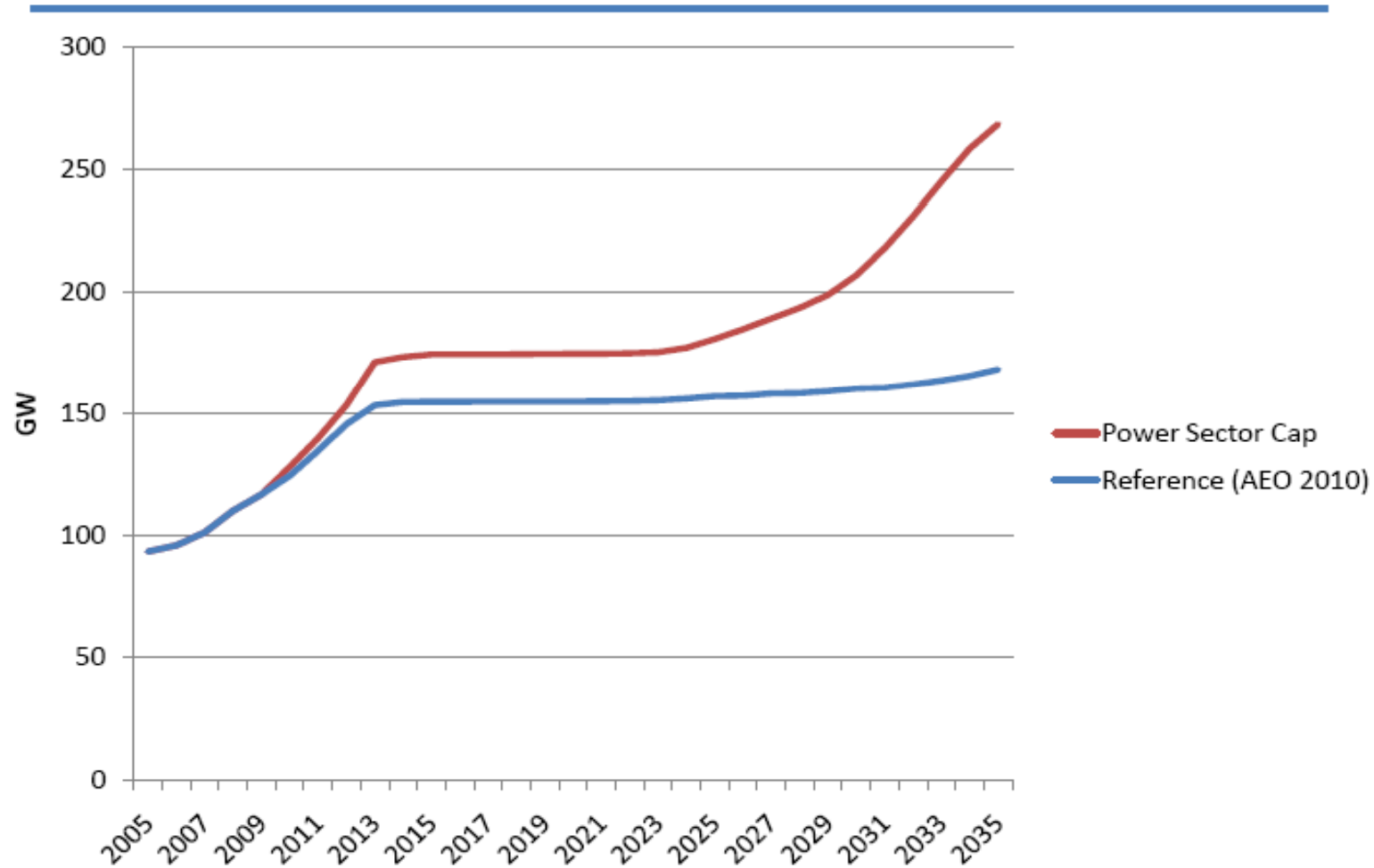
Projected Coal Capacity(GW)



- Funding for incentives for CCS, either from allowance revenue or a wires charge, would mitigate impacts on coal to some degree.

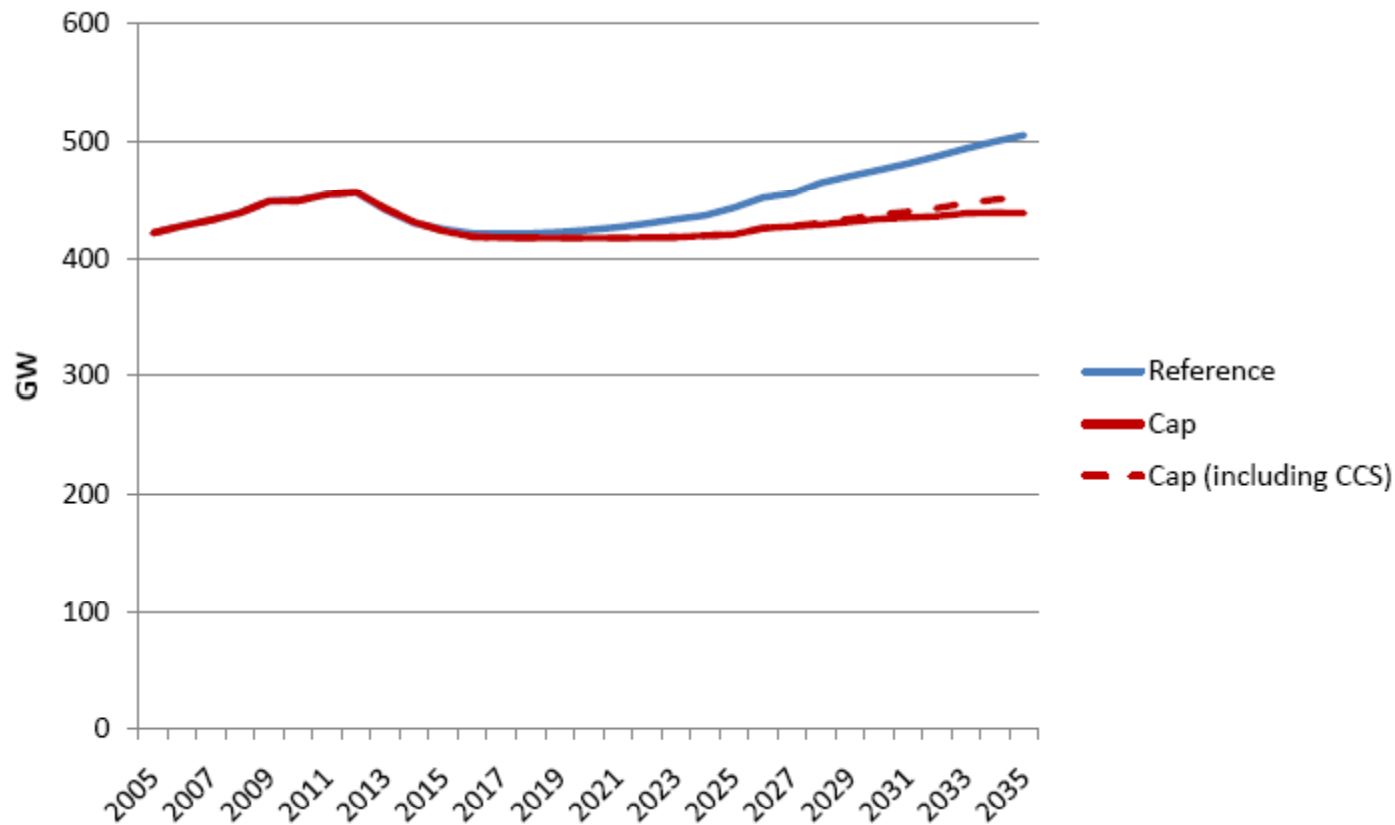
These 320 GW produce about 50% of electricity. Renewables and Nukes are the projected replacement for coal generation. These electricity sources are much more expensive.

Projected Renewable Capacity(GW)



In 2008, renewable sources of energy accounted for about 7.3% of total U.S. energy consumption and 9% of electricity generation.

Projected Gas/Oil Capacity(GW)

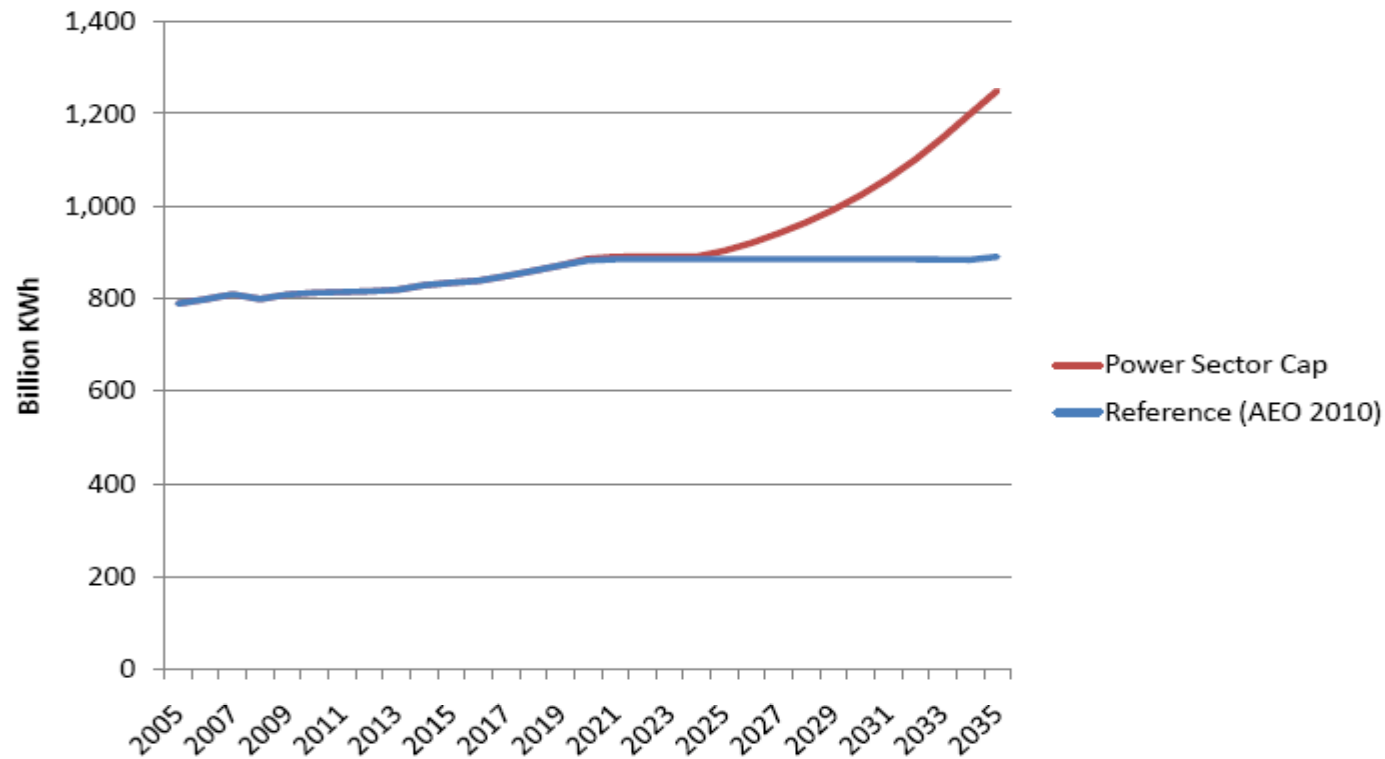


- Gas capacity declines relative to reference case as shift toward nuclear and renewable generation occurs

These 450 GW produce about 21-22% of electricity because gas fired power is dispatched a small percentage of the time as it is more expensive than other sources like coal.

Whose neighborhood would support a new nuclear power plant?

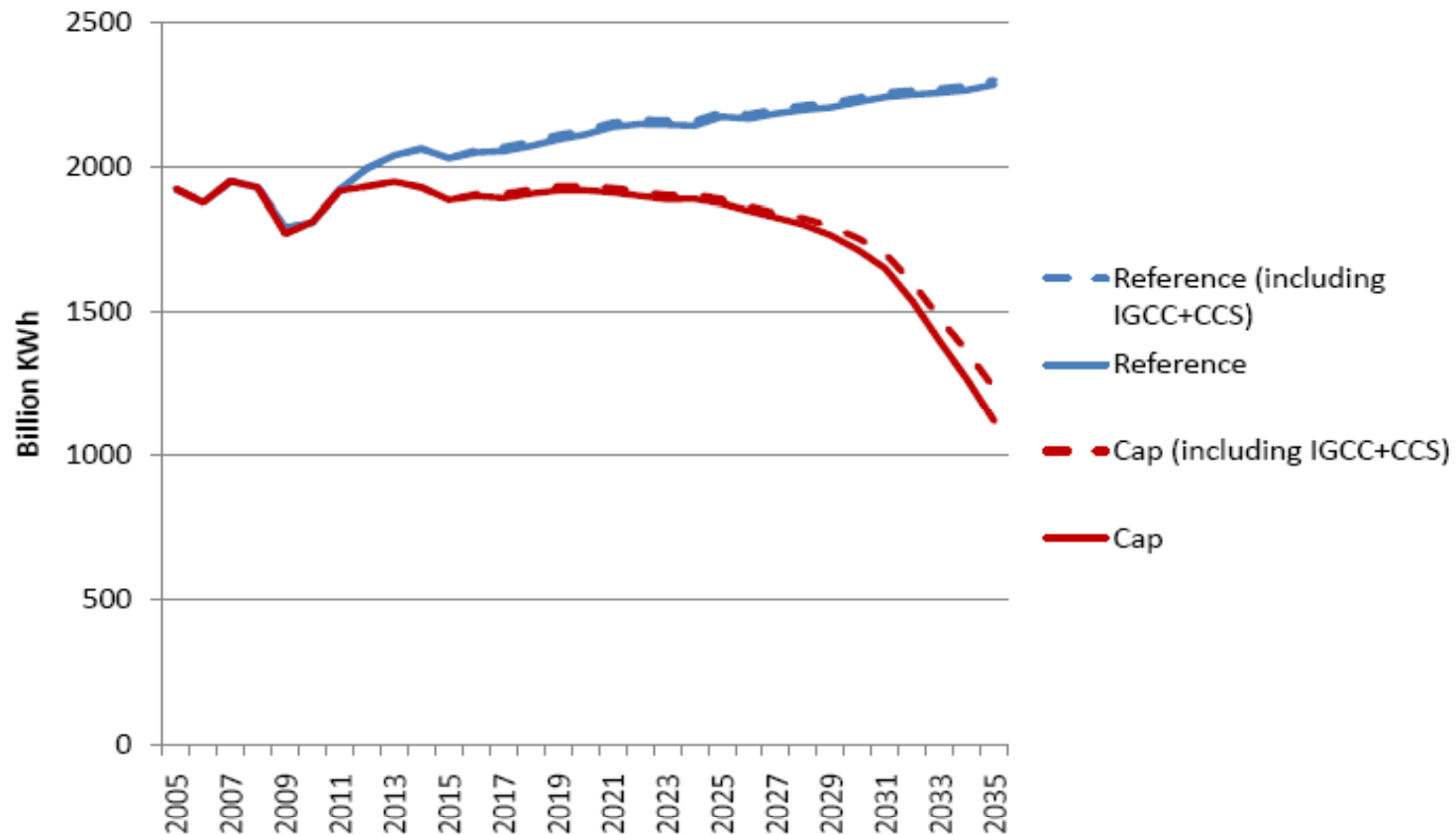
Projected Nuclear Generation(Billion KWh)



- With cap, about 140 billion KWh in additional nuclear generation in 2030 relative to reference case

Caps do not construct nuclear fired power plants. The nukes that are operating were paid for by electricity consumers in the rate base. How will the cost be justified and paid?

Projected Coal Generation(Billion KWh)

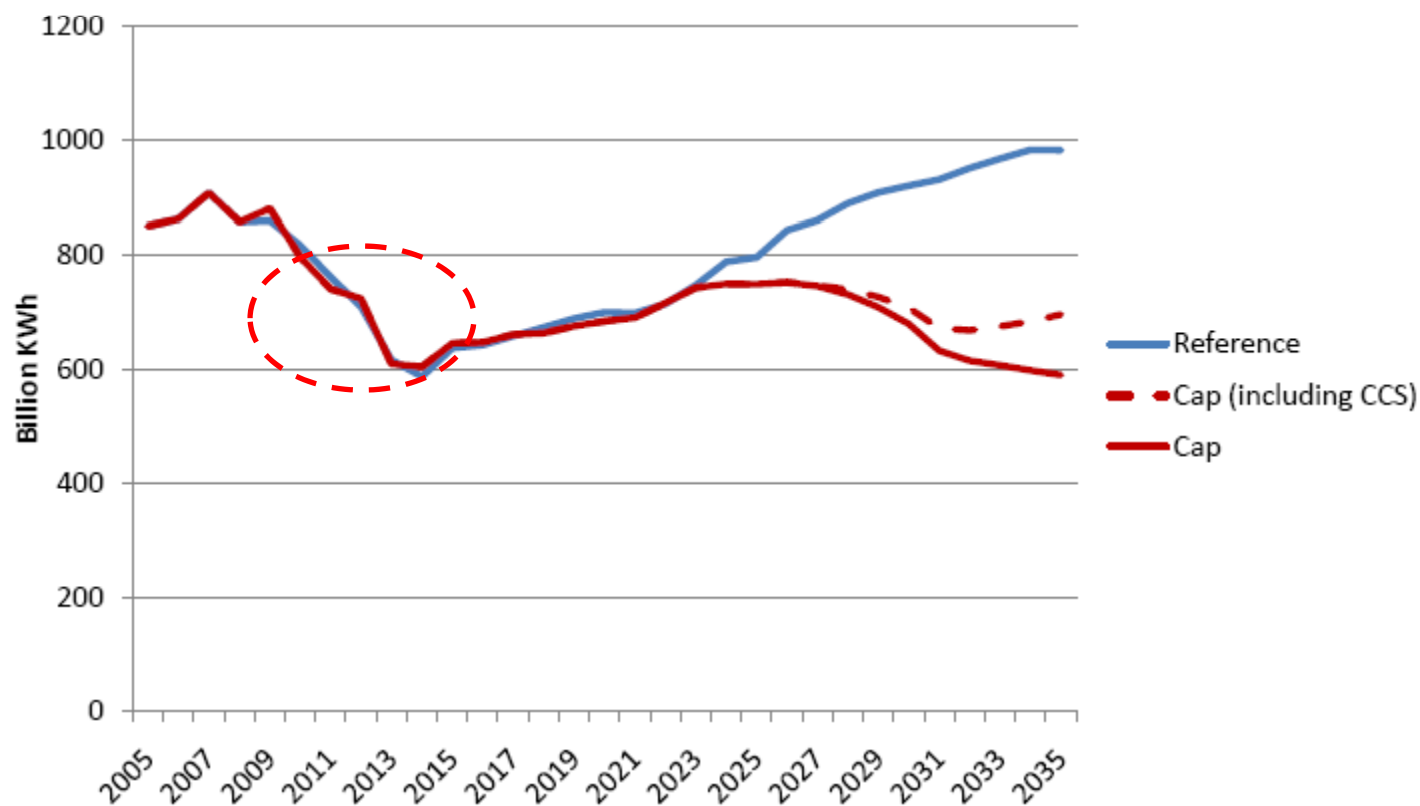


- With cap, about 400 billion KWh less coal generation in 2030 relative to reference case

This is very expensive and doubtful to happen under this scenario. We need some sort of technological breakthrough to replace the lost power production.

The drop in natural gas fired electricity from 2009 to 2014 doesn't make any sense.

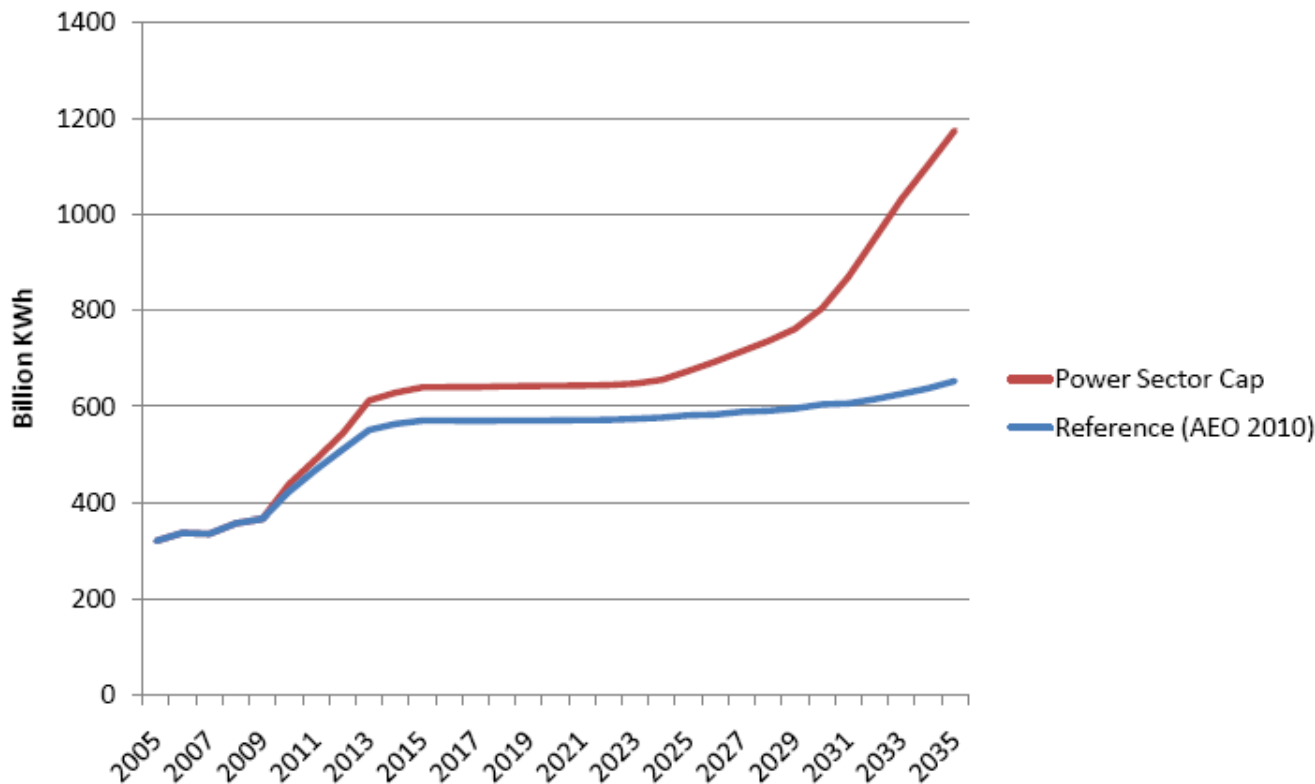
Projected Gas/Oil Generation(Billion KWh)



- With cap, about 200 billion KWh less gas generation in 2030 relative to reference case

THESE NUMBERS DON'T ADD UP.

Projected Renewable Generation(Billion KWh)



- With cap, about 170 billion KWh of additional renewable generation in 2030 relative to reference case

- A quadrupling of billions is not achievable.
- The transmission investment is not economic.
- You can spend a lot of money, but you won't get this much energy.
- Additional renewable sources of electricity are not dependable. Please look at the actual power production on page one!