

#### A letter to the members of Nolin RECC

Climate change legislation remains a critical issue. As I write this update, Congress continues to work on a plan to reduce the nation's amount of greenhouse gases emitted by industries, power plants, transportation and other sources. These emissions are referred to as "carbon footprints". Some believe pending climate change legislation will produce positive results – some say it will cost Americans dearly. One thing is certain, the climate change bill will definitely create "change", but I fear it won't be for the good of the people. Please read this "Energy Update" to learn how climate change legislation will affect YOU!



#### CAP-AND-TRADE WILL COST NOLIN MEMBERS

The U.S. House of Representatives voted on June 26 to pass legislation that calls for the nation's first limits on pollution blamed for global warming. The bill barely squeaked through (219-212) and is scheduled to go to the U.S. Senate in early August. The plan under consideration is known as a carbon cap-and-trade program, and it is designed to put a "cap" on how much greenhouse gas is put into the atmosphere. The program would also require a permit (also known as allowance) for every ton of carbon dioxide (CO<sub>2</sub>) emitted.

These permits to emit carbon could cost anywhere from \$20 to \$50 per ton. If you do the math, this adds up to big increases on your monthly electric bill – between \$27 and \$68.



Mickey Miller  
President & CEO

#### HIGHLIGHTS OF CLIMATE CHANGE BILL (H.R. 2454)

These are brief guidelines of the bill currently heading to the U.S. Senate. Keep in mind these may change by the time you read this update.

- Reduce greenhouse gases by 17 percent from 2005 levels by 2020; and 83 percent by 2050 through a cap-and-trade program that allows pollution permits to be bought and sold.
- Limit emissions from major industrial sources, including power plants, factories, refineries and electricity and natural gas distributors. Emissions from agriculture would be excluded from the cap.
- Control carbon dioxide from the burning of fossil fuels and limit six other greenhouse gases.

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- Allow companies to meet emission-limiting targets by investing in offset projects such as tree planting and forest protection.
- Require electric utilities to produce at least 12 percent of their power from renewable sources such as wind and solar energy by 2020, and require as much as 8 percent in energy efficiency savings.
- Impose tighter performance standards on new coal-fired power plants and provide \$1 billion a year in development money for capturing carbon dioxide from such plants.
- Establish standards that will require new buildings to be 30 percent more energy-efficient by 2012 and 50 percent more efficient by 2016.
- Protect consumers from rising energy costs by giving rebates and credits to low-income households.

At first appearance these guidelines look good, but let's read between the lines. Cap-and-trade is nothing more than a **TAX** on your electric bills. Kentucky will see higher increases than any other state because we generate 95% of our electricity by burning coal. So the reduction of carbon dioxide emissions under this plan will cost Kentucky residents major dollars.

Hopefully, by now you are aware of the "Our Energy-Our Future" grassroots campaign that allows co-op members to voice their concerns about our energy future to our elected officials. If you have not already done so, I urge you **NOW** to visit [www.ourenergy.coop](http://www.ourenergy.coop) to register your concerns about climate control legislation. Or, you are invited to call the Nolin RECC office at 270-765-6153 and give us your approval to register for you.

## WHAT IS YOUR CARBON FOOTPRINT?

Carbon dioxide exists everywhere and can last in the atmosphere for a century or more, and many experts say too much of it is not good. The idea of a "carbon footprint" has been developed to count the amount of carbon dioxide anything emits, directly or indirectly—from a coal-fired power plant to a family of four.

The U.S. Environmental Protection Agency (EPA) breaks sources of carbon dioxide emissions into three categories: direct emissions, such as from the family minivan; indirect emissions from generation of the electricity they use; and all other indirect emissions, from trash to the manufacture of every item bought. For example, how much electricity went into making your television, and how many miles did a tractor-trailer drive to get it to the store?

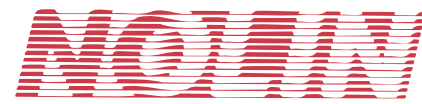
All things considered, the average U.S. household is responsible for 21 tons of carbon dioxide a year, according to the EPA, an amount that would take more than four acres of pine trees to soak up.

As Congress considers legislation to limit carbon dioxide emissions, associated costs will impact everyone. Consumers paying electric bills, and every company making products with electricity generated from fossil fuels, will foot the bill.

Sincerely,



Michael L. "Mickey" Miller  
President and CEO



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A Touchstone Energy<sup>®</sup> Cooperative 

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