

Testimony before House Energy Committee
HB 2233 – State Response to Proposed Federal CO2 standards
Presented by Mike O’Neal – Kansas Chamber CEO
(Written only)

Feb. 18, 2015

Mr. Chairman and members of the Committee:

On behalf of The Kansas Chamber I appreciate the opportunity to present written testimony **in support** of a strong Kansas response to the EPA’s proposed Clean Air Act CO2 emission standards. While the Kansas Chamber has no position with regard to the specific mechanism of a state response to the EPA’s proposed Clean Air Act regulations governing electric generating units and carbon dioxide standards, we do support a strong response in the best interests of the state and the many affected ratepayers, both present and future.

The Kansas Chamber’s Legislative Agenda supports a regulatory climate that promotes a healthy business climate and which instills regulatory certainty. Our agenda also calls for promoting market-driven, not government-driven solutions to reduce energy costs. We oppose government mandates and policies that increase business costs when sourcing energy. We oppose government picking winners and losers among energy sources and technologies. Rising energy costs remains a major concern among Kansas businesses, both large and small,

We listened with alarm to reports earlier in the session about the probable impact of the proposed EPA regulations. Information shared by KDHE and the KCC, of which you have been briefed, illustrates the relative insanity of the EPA proposals. Modeling by NERA Economic Consulting projects the proposal will cause a 12% increase in retail electricity prices for Kansans with a peak year increase of 18%. Under a scenario where Kansas does not significantly reduce electricity use, prices would increase by 25% with a peak year increase of 29%.

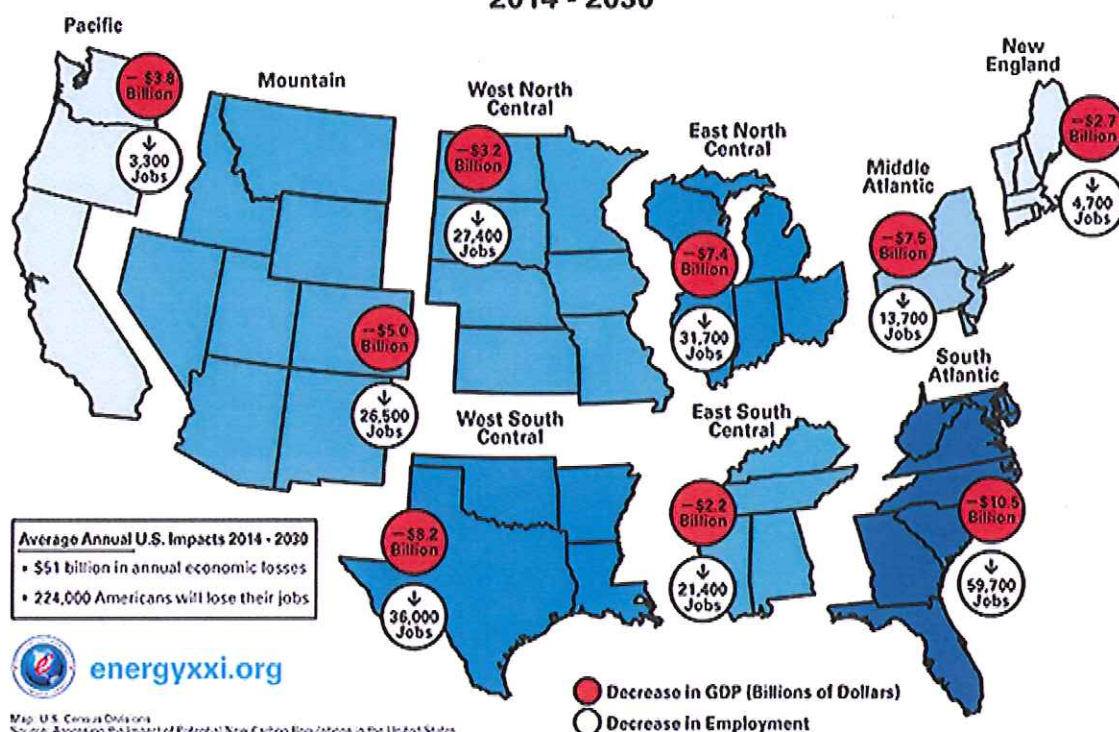
The Institute for 21st Century Energy and the U.S. Chamber of Commerce have completed a study of the impact of the proposed new carbon regulations nationally. They concluded that Americans would pay significantly more for electricity, see slower economic growth and fewer jobs, and have less disposable income. In fact, the cumulative impact to the economy could be as high as \$859B by 2030, or roughly \$50B annually. The two graphics attached show projected regional impacts.

More importantly, EPA regulations would result in a **very slight reduction in carbon emissions**, which would be overwhelmed by global increases. Studies show that CO2 concentration would be reduced by less than .5%; global avg. temperature increase would be reduced by less than 2/100ths of a degree (F); and sea level rise would be reduced by 1/100th of an inch (the thickness of 3 sheets of paper). Please protect Kansas businesses and ratepayers from needless federal regulations.



“...to continually strive to improve the economic climate for the benefit of every business and citizen and to safeguard our system of free, competitive enterprise”.

Average Annual GDP and Job Losses from Potential EPA Carbon Regulations 2014 - 2030



Average Annual Increase of Electricity Costs from Potential EPA Carbon Regulations 2014 - 2030

