



STATE OF ALABAMA

ALABAMA PUBLIC SERVICE COMMISSION
P.O. BOX 304260
MONTGOMERY, ALABAMA 36130-4260
(334) 242-5203
(334) 242-0824

TWINKLE ANDRESS CAVANAUGH
COMMISSIONER

FEDERAL ENVIRONMENTAL MANDATES COULD HARM ALABAMA'S ECONOMIC DEVELOPMENT AND JOB RECRUITMENT EFFORTS

In the two months since taking office as a member of the Public Service Commission, I have made it a priority to learn as much as possible about the various fees, costs and other factors that affect consumers' power bills. I ran for office on a platform of keeping utility rates as affordable as possible for Alabama families, and it is a promise I intend to keep.

Suffice it to say I was angered to find that consumers are being forced to pay billions of additional dollars for electricity simply because of laws and regulations passed by Congress or imposed by the Environmental Protection Agency. And, if the EPA has its way, more increases will find their way into your power bill very soon.

Like so many things about Washington, bureaucrats and activists want to keep us in the dark about the costs of implementing the various environmental laws mandated by the Federal government. It is time that we pull back the curtain and begin to shed some light on the subject.

Many of these mandates and spiraling costs are based upon the questionable science associated with "climate change" theories and speculation, and Alabama's economy could suffer tremendously because of those who are peddling the medicine show tonic of "global warming."

The simple fact is that the Southeast has historically enjoyed among the most affordable energy costs in the United States. Many of the large corporations, factories and industrial projects that Alabama has recruited over the last several years have been a result of the competitive power and electricity services we offer.

Powerful Democrats from the Northeast, who, until recently, controlled the U.S. Congress, pushed wrongheaded initiatives like "cap and trade" in an attempt to reverse our economic development successes and drain jobs from our region. It seems they think that increasing our energy costs is their only chance to compete with us in job recruitment, an area in which Alabama consistently leads the nation.

Now that Republicans have taken the U.S. House and hold a healthy number of seats in the Senate, "cap and trade" is all but dead, so the EPA is moving to implement similar policies through regulations and mandates.

There is no other explanation for D.C.'s demand that states convert to "clean" energy sources like wind and solar, yet two of the cleanest – hydroelectric and nuclear – were excluded from the acceptable list. It is no coincidence that those are the two sources that Alabama and other sister states depend upon heavily. Nor do they provide allowances for cleaner burning coal technology, another consideration that could allow the Southeast to remain competitive.

2-2-2-2

Our state and, in fact, our nation, rely upon a 200-year supply of coal as part of an energy mix to produce inexpensive electricity. The EPA is attempting, through regulation, to make coal so expensive it can no longer be used to generate electric energy, and totally removing this workhorse from our energy sources will send even more manufacturing jobs fleeing overseas from the Southeast.

If fully implemented, new environmental demands would likely increase the cost of providing power in Alabama by 30 to 40 percent, and the low, stable prices consumers have enjoyed for many years may become a distant memory of the past. The utility companies have no choice but to spend large amounts of money to comply with the strict federal regulations, and, by law, they are allowed to pass their actual environmental costs incurred by these mandates to the customer.

This type of energy policy hurts our economy, suppresses job creation and places an unfair burden on families struggling to survive during difficult times.

Being elected to serve you as a member of the PSC has been a high point of my life, and I will faithfully exercise our powers to make sure regulated utilities toe the line to provide low cost electricity to our state. But it is time that we all raise our voices to stop the bureaucratic power of Washington from undercutting our economy and hurting our families. Join me in asking our representatives in Congress to intervene and check the EPA's power.

Washington must allow Alabama to continue growing our economy using sound state energy policies that protect our environment. In fact, our state's future depends on it.

####