



The American Clean Energy & Security Act

Steve Bartley
Interim General Manager

ERCOT Issues Panel Discussion
TPPA Annual Meeting
July 28, 2009



Waxman-Markey Legislation

MAJOR PROVISIONS:

- Reducing 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
- Cap-and-trade provisions would take effect in three phases, covering electrical generation units in 2012, industrial sources in 2014, and natural gas and local fossil fuel distribution in 2016
- Requires 20 percent of electricity to come from renewables by 2020; up to 5 percent can come from efficiency improvements



Waxman-Markey Legislation

IMPACT TO CONSUMERS:

- The Congressional Budget Office and U.S. EPA forecast that energy costs for the average household would increase by \$80 to \$175 in 2020
- A study by the National Black Chamber of Commerce concluded the cost would range from \$600 to \$1,600 per household in 2020
- The Electric Reliability Council of Texas found that wholesale power costs in Texas could rise between \$10 billion and \$20 billion, with monthly bills increasing by \$17 to \$27



Waxman-Markey Legislation

TIMELINE:

- May 21, 2009: Passed out of the House Committee on Energy and Commerce by a vote of 33-25 (94 amendments)
- June 26, 2009: Passed the U.S. House of Representatives by a vote of 219-212 (218 votes needed for passage)
- Senate Majority Leader Harry Reid has given committee chairmen a Sept. 28 deadline for completing work on their pieces of the climate change and energy legislation
- Senate Environment and Public Works Committee has already held several committee hearings; the committee is using the House bill as a starting point
- Senate leadership has expressed a desire for, but has not promised, a vote on climate change legislation sometime this fall



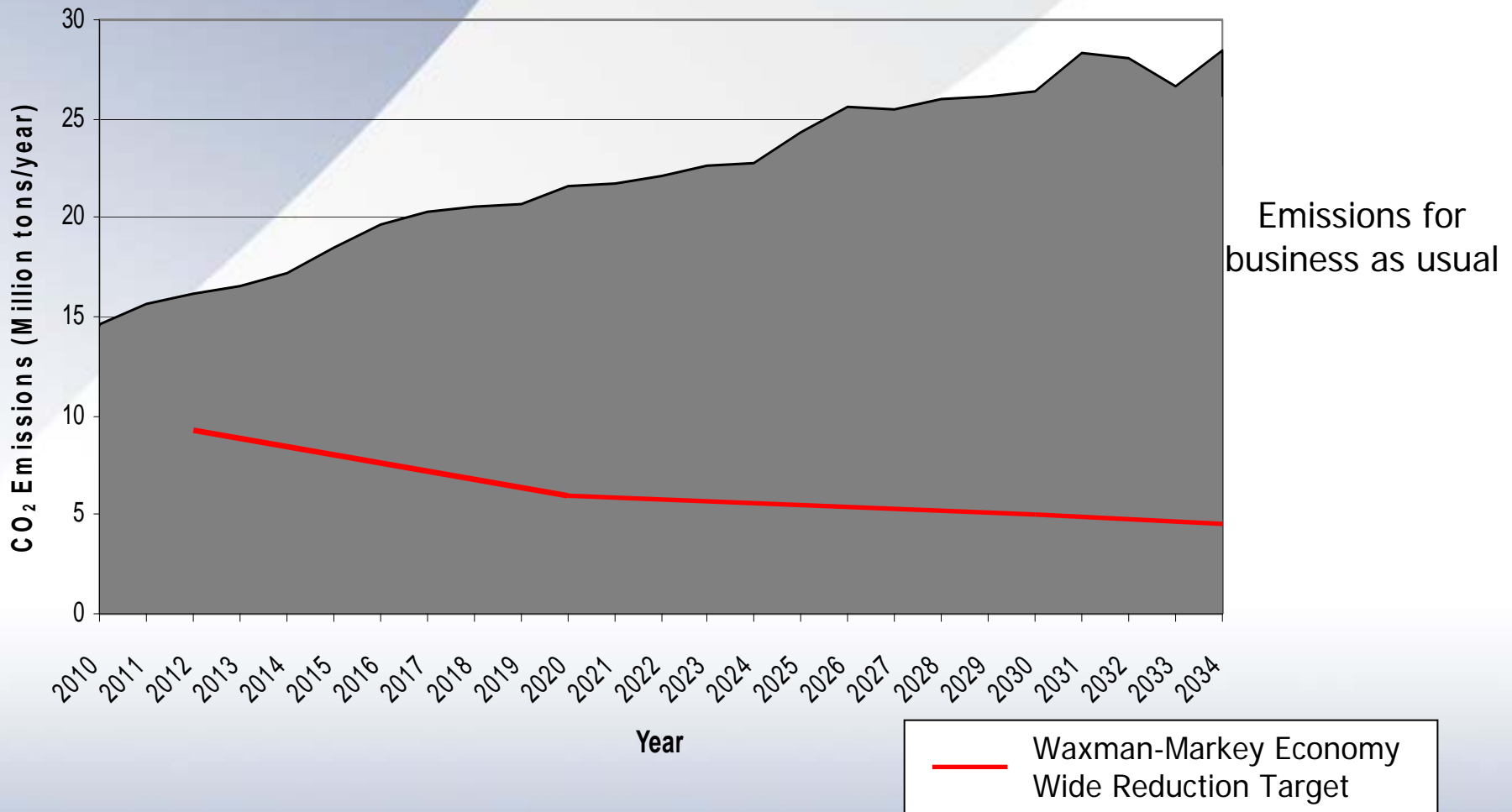
Waxman-Markey Legislation

CPS Energy Involvement:

- Working through alliances
 - ✓ Climate Policy Group
 - ✓ Large Public Power Council
 - ✓ American Public Power Association
- Spruce 2 protection
- Outstanding concerns:
 - ✓ Allowance deficit
 - ✓ Regulatory timeline
 - ✓ Lack of available technology
 - ✓ Unworkable offset program
 - ✓ Unrealistic CCS timeline



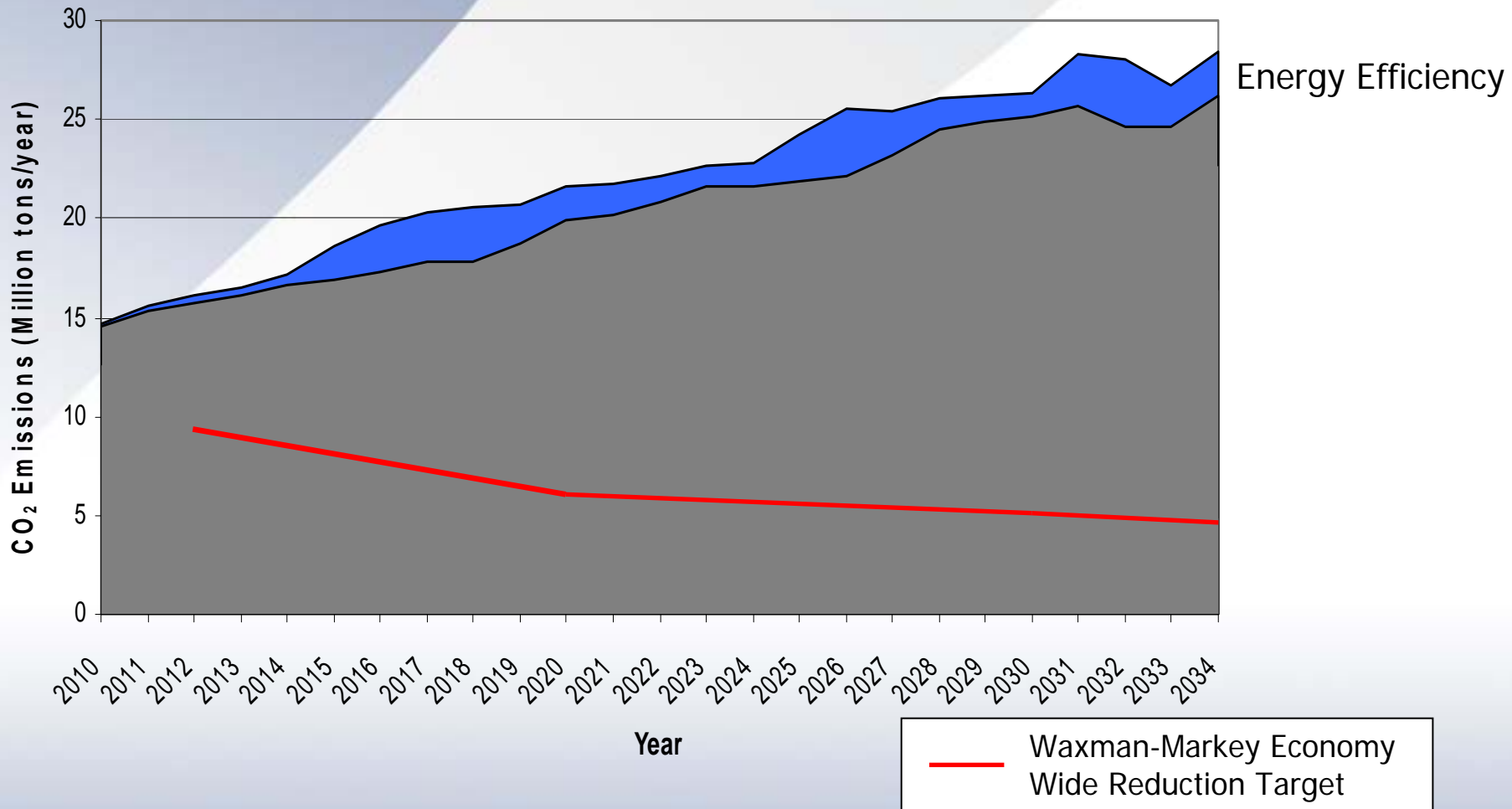
CO₂ Reduction Plan



Emissions shown for native load only



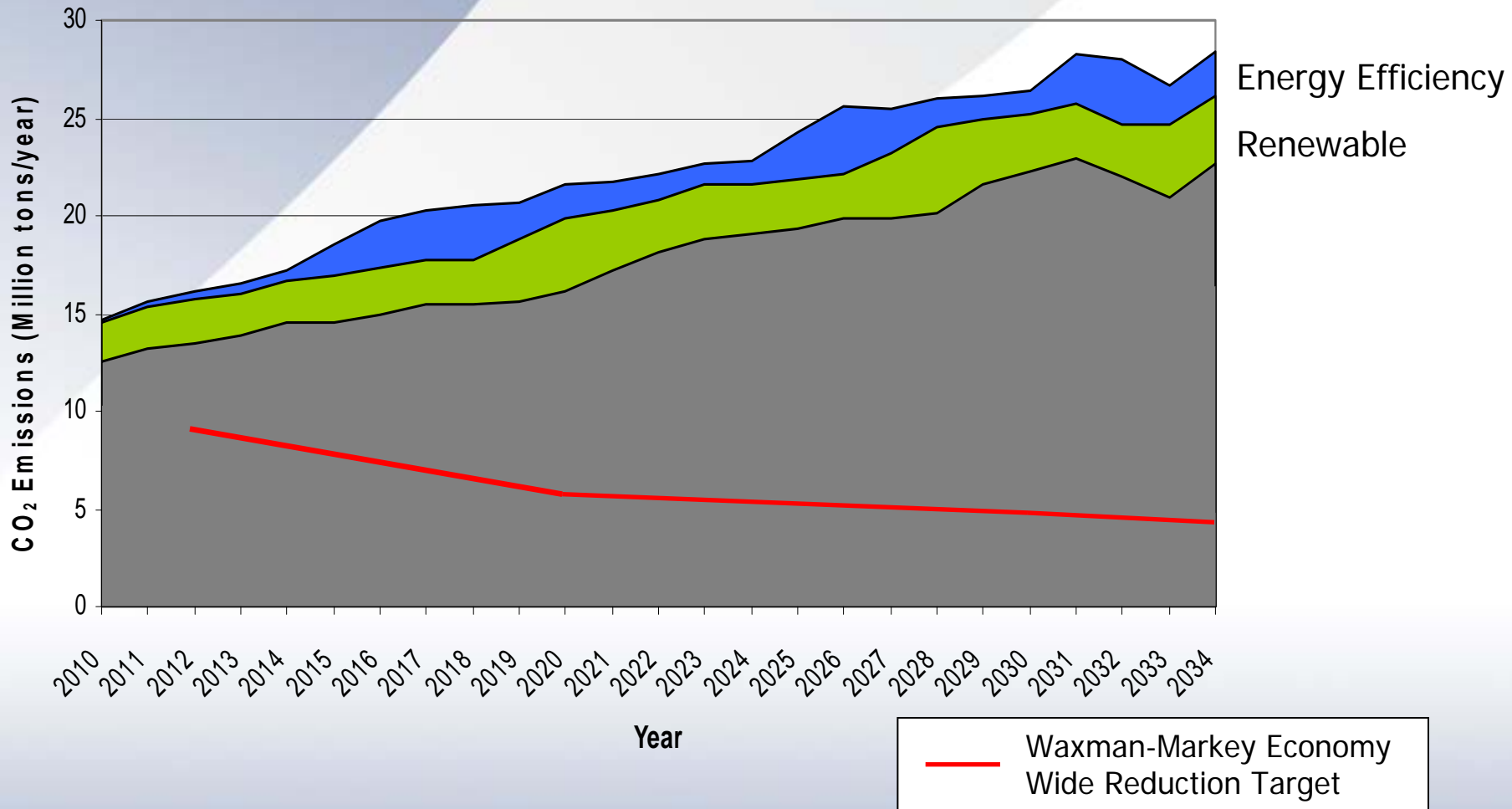
CO₂ Reduction Plan



Emissions shown for native load only



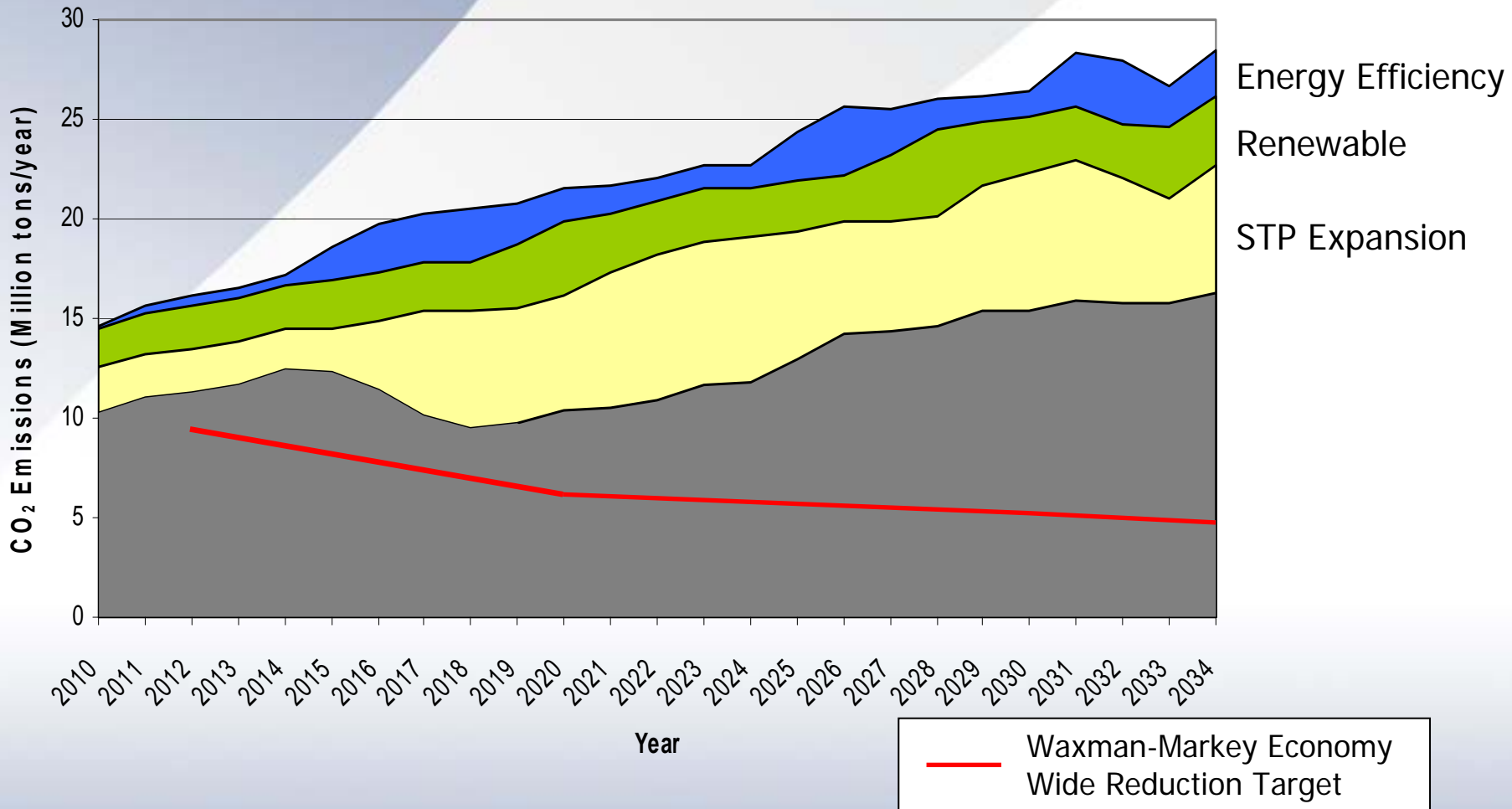
CO₂ Reduction Plan



Emissions shown for native load only



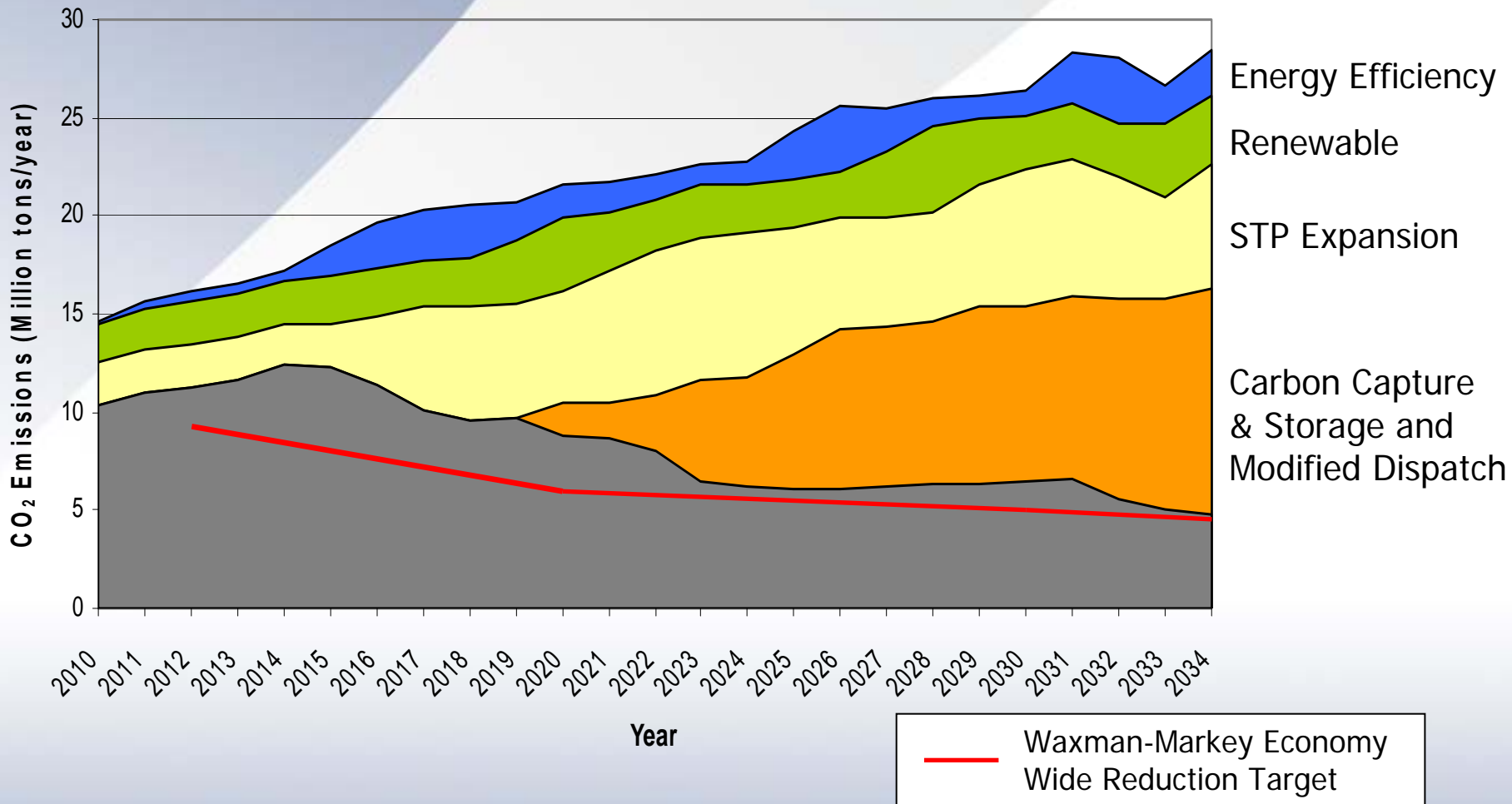
CO₂ Reduction Plan



Emissions shown for native load only



CO₂ Reduction Plan



Emissions shown for native load only

Questions