

# Senators Seek Change in Climate Plan

*By Steven Johnson*

**W**eighing in on a key issue for co-ops, a group of 14 Senate Democrats wants to change a provision in a climate change bill that they say will unfairly hurt electricity consumers, particularly in the Midwest.

Led by Sen. Tom Harkin, D-Iowa, chairman of the Health, Education, Labor and Pensions Committee, the group is asking Senate leaders to revamp a formula that allocates valuable emissions allowances as part of a cap-and-trade system.

Those allowances, designed to cushion the cost of climate change legislation, should be distributed to local distribution companies, such as co-ops, solely on the basis of historic emissions levels, the group wrote Nov. 12 to Senate leaders.

Bills that cleared the House in June and the Senate Environment and Public Works Committee Nov. 5 allocate the tradable allowances on a 50–50 split of emissions levels and retail sales. That formula was written by the Edison Electric Institute, which represents IOU interests.

But the group told Senate Majority Leader Harry Reid, D-Nev., and three committee chairmen that the 50–50 formula means utilities that rely on coal for generation will have to purchase additional allowances to meet emissions reductions, and will pass those higher costs to ratepayers.

That raises the prospect of major disparities in the way different regions of the country fare under the bill, they said.

They called the permits “an important tool” to protect consumers and businesses and warned that they must be equitably allocated to be fair and effective.

“We believe it is essential that we strive to formulate legislation that equitably distributes transition assistance across individuals, as well as states and regions and economic sectors,” the group said.

“We urge you to ensure that emission allowances allocated to the electricity sector—and thus, electricity consumers—be fully based on emissions as the appropriate and equitable way to provide transition assistance in a greenhouse gas-regulated economy.”

Also signing were Sens. Amy Klobuchar and Al Franken of Minnesota; Roland Burris of Illinois; Byron Dorgan and Kent Conrad of North Dakota; Herb Kohl and Russell Feingold of Wisconsin; Michael Bennet and Mark Udall of Colorado; Robert Byrd of West Virginia; Carl Levin and Debbie Stabenow of Michigan; and Sherrod Brown of Ohio.

The letter was released as it became apparent that a climate change bill will not make it to the Senate floor by the end of the year. “We are going to try to do that sometime in the spring,” Reid told reporters Nov. 17.

Health care reform, financial reform and perhaps a job bill could precede consideration of a climate bill, several senators said.

Kirk Johnson, vice president of environmental policy for NRECA, said co-op leaders should continue to press senators on the allocation formula and other problems with the Senate version of the climate bill.

“NRECA has pushed very hard on this issue and some senators are seeing the unfairness in it. We’ll be continuing our efforts and encourage co-op leaders to make the same case to their senators.”