Estimated Georgia Impacts of Lieberman-Warner

In 2007, U.S. senators Lieberman and Warner introduced U.S. Senate Bill 2191, *America's Climate Security Act*. The bill proposed to reduce U.S. greenhouse gas emission levels to 2005 levels by 2012, 1990 levels by 2020, and 65% below 2005 levels by 2050.

An analysis of the Lieberman-Warner bill was conducted in 2008 by Southern Company and CRA International using state-of-the-art economic analysis models of the U.S. energy economy to show the impact the bill would have on energy consumers in the state of Georgia.

- Electricity prices in the state of Georgia are estimated to be **higher by approximately 20% in 2015, 25% higher in 2025 and 65% higher in 2050**.
- Natural gas prices in Georgia are estimated to be **higher by approximately 25% in 2015, 35% higher in 2025 and 190% higher in 2050.**
- Estimated average household buying power in Georgia is **less by approximately $2,200 in 2015**.
- Georgia's is estimated to have **120,000 fewer jobs in 2015** due to the impact of this bill.
- Investments in machines, plants, buildings and other productive assets in Georgia will continue to grow under the bill, but not as quickly. Estimated aggregate investment in Georgia is **less by approximately 4% in 2015**.
- Estimated economic activity in Georgia will be **less by approximately $13 billion in 2015**.

Estimated Georgia Impacts of Waxman-Markey

On March 31, 2009, the Waxman-Markey bill, the *American Clean Energy and Security Act*, was introduced into the U.S. House of Representatives. This bill would have similar impacts on Georgia consumers.

The draft establishes a cap-and-trade program to reduce carbon emissions with aggressive timetables and targets requiring a 3% reduction below 2005 levels by 2012; a 20% reduction below 2005 levels by 2020 and an 83% reduction below 2005 levels by 2050.

Preliminary indications are that the bill's climate-related provisions would increase energy prices to about the same levels as Lieberman-Warner.

Waxman-Markey also contains Renewable Electricity Standards, requiring utilities to meet a certain percentage of their load from renewable resources: 6% by 2012 and 25% by 2025.

- If suppliers do not have access to enough renewable energy supplies, they may meet the standard **through a tax – known as an alternative minimum compliance payment – equivalent to about 50 percent of the price of a kilowatt-hour in Georgia**.

Waxman-Markey also contains an Energy Efficiency Resource Standard that requires electric utilities to reduce demand for electricity by certain percentages: 1% by 2012, increasing to 15% by 2020. This provision would prevent economic growth, preventing the location of industries and jobs into states like Georgia unless electricity demand reductions are obtained within the state.

Note: The results contained herein are based upon assumptions independently made by Southern Company and CRA International. Actual outcomes may be higher or lower.