

## **Southern Company and CRA International Analysis of Waxman-Markey**

### ***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 above are based upon assumptions independently made by Southern Company and CRA International. Actual outcomes may be higher or lower.*