To the Administrators:

Thank you all for the opportunity to speak today. My name is Michael Harden and I am the State director for the Georgia chapter for Americans for Prosperity, the nation’s largest free-market advocacy group, with more than 2 million activists nationwide and the more than 55,000 activists in Georgia. AFP is committed to promoting energy policies that provide affordability and reliability for all Americans. I am here to talk about the controversial proposed Obama administration rule requiring states to reduce their carbon emissions by 30 percent of 2005 levels.

Although overall the reduction is 30 percent by 2030, the EPA set unequal reductions across the states, with this misguided new mandate falling more heavily on some states, who will be forced to comply with even more draconian limits. Our state will face one of the largest reductions in carbon emissions — 44% of 2012 levels — which will have a huge impact on Georgia business and working families in terms of energy affordability, job creation, and economic growth. These new rules would require our energy producers to buy expensive retrofitting equipment, impose expensive new fuel switching and/or green energy mandates, or by shutting down plants entirely — the costs of which will inevitably pass onto energy consumers in the form of higher rates.

Currently, Georgia has 9 coal power plants that generate one-third of their electricity from coal. It ranks 14th among the states in terms of coal use. Coal and natural gas remain the most cost-effective and reliable options for electricity generation in the state, and their widespread use helps contribute to Georgia’s below-average electricity prices.

Higher Utility Bills and Shrinking Family Budgets

This is a pocket book issue. Federal micromanaging of Georgia’s electricity generation portfolio will invariably cause electricity prices to rise, and higher electricity bills are bad news for struggling Georgia families – and the most vulnerable families will be the hardest hit. The median Georgia family already spends roughly $1800 of their disposable income on residential energy alone. With these regulations, costs will increase significantly, leaving Georgians with less money in their pockets for essentials such as health care and groceries. Even worse, higher energy prices disproportionally effect those who can least afford it, those who are struggling the most in the down economy. Those earning between $10,000 and $30,000 per year will, on average, spend almost 10% of their disposable income on their residential energy needs.
The Rules Will Kill Jobs

Because such a significant portion of Georgia's electricity comes from coal, the EPA regulations would have an overwhelming negative impact on jobs in the Georgian economy with ramifications reaching well beyond the 19,500 employed in the utilities sector. The relatively cheap energy prices have been essential to growing the Georgia manufacturing industry. Companies such as Caterpillar, Shaw and Mohawk Industries have all expanded in recent years, bringing in more than 16,000 jobs and $1 billion in investments. According to Roy Brown of the Georgia Association of Manufacturers, this growth has been "driven by the advantage that we are seeing come to us in terms of energy prices."

This advantage currently held by Georgia would virtually disappear with these new EPA regulations, and with it billions of dollars in economic activity and thousands of Georgia jobs each year. More directly, forcing the closure of coal power plants would have a significant impacts on the communities in which they operate. One coal power plant in Coosa, a plant which could be forced to close under the new EPA rules, operates in Floyd County where it is responsible for 10 percent of the local tax revenue. Closing the plant would be devastating to a community with an employment rate of 7.9 percent and a poverty rate of twenty percent.

These new rules will have a secondary impact on businesses elsewhere in the economy. Even if businesses' energy demands remain constant the price to produce their goods and services will increase. Any increases in businesses' cost means fewer resources to hire new employees or expand their production. This leads to slower economic growth and fewer jobs as valuable resources are diverted to pay the energy bill.

Conclusion

The proposed EPA regulations on CO2 will have a devastating effect on the Georgian economy and its residents. Given the high costs to Georgians and America at large, AFP strongly supports preventing the implementation of these regulations.

Endnotes:
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Americans for Prosperity (AFP) is a nationwide organization of citizen leaders committed to advancing every individual’s right to economic freedom and opportunity. AFP believes reducing the size and scope of government is the best safeguard to ensuring individual productivity and prosperity for all Americans. AFP educates and engages citizens in support of restraining state and federal government growth and returning government to its constitutional limits. AFP has more than 2 million members, including members in all 50 states, and 36 state chapters and affiliates. More than 76,000 Americans in all 50 states have made a financial investment in AFP or AFP Foundation. For more information, visit americansforprosperity.com. Americans for Prosperity does not support or oppose candidates for public office.