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INSTITUTE FOR 21ST CENTURY ENERGY
U.S. Chamber of Commerce



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Energy Institute Report Finds That Potential New Environmental Protection Agency Carbon Regulations Will Damage U.S. Economy

WASHINGTON, D.C.— EPA’s plans to regulate carbon dioxide emissions from power plants will cost America’s economy over \$50 billion a year between now and 2030, according to a new report issued by the U.S. Chamber of Commerce’s Institute for 21st Century Energy.

The report, *Assessing the Impact of Potential New Carbon Regulations in the United States*, estimates the economic impacts associated with an EPA regulatory regime imposed under Section 111 of the Clean Air Act and based on the Obama Administration’s emissions reduction goals.

“Americans deserve to have an accurate picture of the costs and benefits associated with the Administration’s plans to reduce carbon dioxide emissions through unprecedented and aggressive EPA regulations,” said Karen Harbert, president and CEO of the Energy Institute. “Our analysis shows that Americans will pay significantly more for electricity, see slower economic growth and fewer jobs, and have less disposable income, while a slight reduction in carbon emissions will be overwhelmed by global increases.”

The analysis found that EPA’s potential new carbon regulations would:

- Lower U.S. Gross Domestic Product (GDP) by \$51 billion on average every year through 2030
- Lead to 224,000 fewer U.S. jobs on average every year through 2030
- Force U.S. consumers to pay \$289 billion more for electricity through 2030
- Lower total disposable income for U.S. households by \$586 billion through 2030

With global carbon emissions expected to rise by 31% between 2011 and 2030, the Energy Institute’s analysis found that EPA regulations would reduce this overall emissions level by just 1.8 percentage points.

The Energy Institute commissioned the respected research and analytics firm IHS to conduct the modeling and analysis. As a basis for the study, the Energy Institute utilized a proposal from the Natural Resources Defense Council (NRDC) that many expect will be similar to EPA’s anticipated proposal. Using the NRDC policy framework, along with the IHS, Inc. proprietary energy efficiency and power demand outlook, the Energy Institute report then assesses the costs and market impacts of meeting the Obama Administration’s emissions target of 42% reductions below 2005 levels by 2030. The conclusions are those of the Energy Institute.



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The Energy Institute's analysis includes only the costs for the new and existing power plant carbon dioxide regulations. All other EPA regulations, such as the Mercury and Air Toxic Standards and the Cross-State Air Pollution Rule, are built into the reference case.

Different regions of the country will see profoundly different impacts from these rules. Generally, the largest impacts on jobs and the economy will be in the South Atlantic, West South Central, and East North Central census divisions. The South power region will see the biggest increases in electricity costs by far.

To read the entire report, visit www.energyxxi.org/epa-regs

The mission of the U.S. Chamber's Institute for 21st Century Energy is to unify policymakers, regulators, business leaders, and the American public behind a common sense energy strategy to help keep America secure, prosperous, and clean. Through policy development, education, and advocacy, the Institute is building support for meaningful action at the local, state, national, and international levels.

The U.S. Chamber is the world's largest business federation representing the interests of more than 3 million businesses and organizations of every size, sector, and region.

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