

U.S. Electricity and Environment Policy In the Age of Obama

Smart EU Energy Policy With the Next European Commission in 2010-2014.

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Science Debate

- Consensus on Impact of Greenhouse Gas Emissions
- Some Republicans With Corporate Support Disagree (Inhofe)
- Serious Debate Regarding Requisite Remediation Program

Evolving Public Opinion

- Regional Differences (West Coast/East Coast vs. South/Midwest)
- General Support for Reducing Emissions
- Impact of Economic Slowdown on Public Opinion

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State Initiatives

- States Have Independent Regulatory Powers
 - Controversy Between California and US EPA
- Business reaction to States "Going It Alone"
- U.S. Geo-politics on CO2
 - Coal states
 - Coastal States
 - Industrial States

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Cap & Trade vs. Carbon Tax Debate

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Business Views

- Electricity Industry (Fears of Compliance Prudence Reviews, Discriminatory Treatment, Regulatory Treatment of Emission Allowances)
- Automobile/Oil Industry (Federal Preemption)
- Environmental Community (Leans Toward Cap and Trade)
- Tax Politics

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Political developments

- Election Positions of Obama and McCain
- Changes in Congress (more Dems / Waxman replaces Dingell)
- Attitudes regarding Kyoto and Copenhagen

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Cap & Trade Issues

- a. Allocation of Emission Allowances
 - i. Auction or Allocation and When
 - ii. Use of Auction Funds
 - iii. Beneficiaries of Allowances?
 - a. Companies (Generators or Distributors?)
 - b. Customers

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Energy Policy

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Non-Resource Issues

- Smart Grid
 - Enable Demand Side Response on Distribution Systems
 - Build out Transmission to New Resources
 - Demand Side Management/Energy Efficiency
 - Decoupling Sales and Profits
 - Plug In Hybrid
 - Massive Federal Investment
- State of Market
 - Part Competitive / Part Monopoly

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Resource Issues

- Renewables
 - Transmission Interconnections e.g. TX and CA
 - RPS (State and Federal)
 - Tax Incentives
 - Priority Access to Grid?

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Resource Issues

- Natural Gas
 - Fear of Price Volatility
 - Drilling Issues

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Resource Issues

- Nuclear
 - Ambivalence
 - Waste Issue
 - Federal Incentives
 - Capital Intensity

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Resource Issues

- Coal
 - Political Debate
 - Abundant Resource
 - National Security
 - Carbon Emissions
 - Mine Safety and Land Use Issues
 - Ash Disposal and Storage Problems

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Resource Issues

- Coal (cont'd)
 - Clean Coal Programmatic Efforts
 - Federal Expenditures for Research and Development
 - Technology Uncertainty About Sequestration
 - State Initiatives (Financial and Regulatory)
 - Mixed Signals from Obama and Biden