



EEI Global Climate Change Principles

BACKGROUND

EEI's member companies clearly recognize the growing concerns regarding the threat of climate change. Since 1994—when EEI joined the U.S. Department of Energy in the Climate Challenge—the electric utility industry has led all other industrial sectors in reducing greenhouse gas emissions. Through various programs now under way—including Power Partnerssm, the Asia-Pacific Partnership and individual company efforts—that commitment continues.

Today, EEI's members recognize a growing imperative to make even deeper reductions in greenhouse gas emissions. No matter what the ultimate path is, success in that mission—while maintaining the reliable and reasonably priced electricity supply so vital to our economic well-being and national security—will require an aggressive and sustained commitment by the industry and policymakers to the development and deployment of a full suite of technology options, including:

- An intensified national commitment to energy efficiency, including advanced efficiency technologies and new regulatory and business models;
- Accelerated development and cost-effective deployment of demand-side management technologies and renewable energy resources;
- Advanced clean coal technologies (e.g. advanced pulverized coal, fluidized bed and IGCC technologies);
- Carbon capture and storage for all types of fossil-based generation;
- Increased nuclear capacity and advanced nuclear designs; and,
- Plug-in electric hybrid vehicles.

Although some of these options are currently available—albeit at a higher cost than conventional generation sources—many are not. All have different time horizons, but all are critical to our dual goals of addressing greenhouse gas emissions and maintaining a reliable, affordable electricity supply in a carbon-constrained world. Moreover, because of the global nature of the problem, solutions will require the participation of the entire world economy, including China and India.

PUBLIC POLICY PRINCIPLES

EEI will continue to emphasize the importance of:

- A reliable, stable and reasonably-priced electric supply to maintain the competitiveness of the U.S. economy;
- A fuel-diverse generation portfolio to assure system reliability, energy security and price stability;
- Public policies and initiatives to accelerate the development of viable and cost-effective energy efficiency programs and technologies; zero- or low-emissions generation technologies; and carbon capture and storage technologies;
- International partnerships to address climate change as a global issue that requires global solutions, including appropriate participation by developing nations, such as China and India; and,

- Solutions compatible with a market economy that deliver timely and reasonably priced greenhouse gas reductions.

EEI supports federal action or legislation to reduce greenhouse gas emissions that:

- Involves all sectors of the economy, and all sources of GHG;
- Assures stable, long-term public/private funding to support the development and deployment of needed technology solutions;
- Assures compliance timelines consistent with the expected development and deployment timelines of needed technologies;
- Employs market mechanisms to secure cost-effective GHG reductions, and provides a reasonable transition and an effective economic safety valve;
- Establishes a long-term price signal for carbon that is moderate, does not harm the economic competitiveness of U.S. industry and stimulates future investments in zero- or low-carbon technologies and processes;
- Addresses regulatory or economic barriers to the use of carbon capture and storage and increased nuclear, wind or other zero- or low-GHG technologies;
- Minimizes economic disruptions or disproportionate impacts;
- Recognizes early actions/investments made to mitigate greenhouse gas emissions;
- Provides for the robust use of a broad range of domestic and international GHG offsets;
- Provides certainty and a consistent national policy; and,
- Recognizes the international dimensions of the challenge and facilitates technology transfer.



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