

EPA: Climate bill could cost family \$100 annually

October 25 2009, By H. JOSEF HEBERT , Associated Press Writer

(AP) -- A Senate plan to tackle global warming would add about \$100 a year to the energy costs for a typical household, according to an analysis by the Environmental Protection Agency.

The analysis released late Friday by the office of Sen. Barbara Boxer, who heads the Senate Environment and Public Works Committee, generally mirrors the cost projected by the EPA when it examined similar legislation that the House passed in the summer.

The Democratic bill calls for cutting greenhouse gases from power plants and large industrial facilities by shifting [energy](#) use away from fossil fuels, especially coal. It would cap emissions and allow trading of pollution allowances to mitigate the cost.

Boxer, D-Calif., has scheduled hearings this coming week on the bill. The committee will hear from Obama administration officials, including the EPA, on Tuesday.

President [Barack Obama](#), in a speech Friday in Boston, said he believes "a consensus" is emerging in Congress on the climate issue. But he also accused some opponents of making "cynical claims that contradict the overwhelming scientific evidence" that the earth is becoming warmer in an attempt to derail legislation.

"There are those who will suggest that moving toward clean energy will destroy our economy, when it's the system we currently have that

endangers our prosperity and prevents us from creating millions of new jobs," Obama told his audience at the Massachusetts Institute of Technology.

Boxer said the bill provides "a clean energy future, creating millions of jobs and protecting our children from dangerous pollution."

Critics of the bill have called it a massive [energy tax](#). They also say the EPA uses overly optimistic assumptions disguising the likely increase in energy costs to consumers.

Oklahoma Sen. James Inhofe, the committee's top Republican, said the EPA analysis was "unacceptable" and he wanted a more complete economic assessment of the bill before moving ahead. He said committee Republicans may force a delay; Boxer wants a committee vote in early November.

"One would think that, prior to legislative hearings, the committee would have a thorough, comprehensive economic analysis to understand how an 800-plus page bill, designed to fundamentally reshape the American economy, affects consumers, small businesses, farmers, and American families," Inhofe said in a statement.

The EPA analysis released by Boxer said while there are differences between the Senate and House bills, they are so small that the economic costs "would be similar" in the case of either bill. As a result, the EPA produced in detail the same numbers for household costs it issued earlier this year when examining the House legislation - and no revised numbers specifically for the Senate legislation.

It said the cost would add between \$80 to \$111 a year to households energy bills as a result of higher prices, although energy consumption was expected to decline slightly as a result of increased efficiency

measures.

There have been widely conflicting price tags estimated for the climate bills. The Congressional Budget Office has estimated the household cost of the House-passed bill at about \$175 a year in 2020. It has not examined the Senate bill. But some industry-cited studies have put the cost much higher, some claiming possible added costs of as much as \$3,000.

Boxer also released a summary of changes to the bill that introduced by Sen. John Kerry, D-Mass., last month.

The revised bill describes how pollution allowances for curbing greenhouse gases would be distributed. It is similar to the distribution in the House bill with 35 percent going to large electricity distribution companies, with an understanding that the benefits would be passed onto consumers to ease the impact of electricity prices.

Free allowances also would go to smaller electricity distribution companies, natural gas distributors, providers of home heating oil and to offset costs for low and moderate-income households. A slightly larger portion of the allowances would be auctioned off by the government than would be under the House bill.

On the Net:

EPA analysis: <http://tinyurl.com/ylsruozv>

Sen. Boxer's release: <http://tinyurl.com/npwe5u>

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