# ELCON REPORT

ELECTRICITY CONSUMERS RESOURCE COUNCIL

NUMBER TWO 2008

## FERC Should Look Closer at Prices in Organized Markets, ELCON Comments

The scope of FERC's February Notice of Proposed Rulemaking (NOPR) on the state of competition in the organized markets should have been expanded, and FERC should be looking more carefully at whether prices in organized markets are truly just and reasonable as required by statute, ELCON said in recent comments.

ELCON took issue with the rule's premises that "the wholesale markets are operating well" and "wholesale competition has been a success."

There was some good news along with the bad in the proposal, according to ELCON President John Anderson: "FERC continues to recognize that these markets need improvement." He said he was "heartened" that FERC Chairman Joe Kelliher has called the proposed rule "the next step, not the final step, in the process of improving competition" in today's organized markets.

The NOPR, like last year s Advanced Notice of Proposed Rulemaking (ANOPR), addresses four issues: demand response, long-term power contracting,

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## Greenhouse Controls Likely Costly

The Senate is poised to begin consideration in early June of the Lieberman-Warner bill (S 2191) to cap greenhouse gas emissions, but passage by the Senate is far from certain.

Supporters of the bill are likely to garner the 60 votes necessary to bring the bill to the Senate floor, but what happens after that is still an open question.

Republicans reportedly are preparing over 100 amendments. Sen. Barbara Boxer (D-CA), chair of the Committee on Environment and Public Works, has said that if the Senate approves any amendments to weaken the bill, she will immediately pull it off the Senate floor, a move supported by Majority Leader Harry Reid (D-NV). They believe the prospects of a strong greenhouse gas bill will be better in 2009 with an anticipated stronger Democratic majority in both houses and the possibility of a Democratic President.

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## ELCON Welcomes Timken Company

ELCON is pleased to announce its newest member, The Timken Company, headquartered in Canton, Ohio. Timken is one of the world's leading producers of highly engineered antifriction bearings and alloy steel components. It has 25,000 employees with operations in 27 countries.

"Timken is a great addition to ELCON," said ELCON President John Anderson. "They understand from their multiple locations that electricity markets are in transition, and that the manufacturing community must make its voice heard to help stabilize those markets." E

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## *Next Workshop : Emerging Carbon Policies*

ELCON's Spring Workshop will be held June 3 in Nashville with a focus on "emerging policy solutions" for dealing with the anticipated carbon constrained energy marketplace.

The lead-off presenter will be Dr. Margo Thorning from the American Council on Capital Formation. She is the primary author of a recent study, done in conjunction with the National Association of Manufacturers, outlining the enormous price impact that can be expected if legislation to restrict greenhouse gas emissions is enacted. The study predicted job losses of 1.2-1.8 million by 2020. (See related article below.)

Also on the agenda is Barbara Barkovich from the California Large Energy Consumers Association, who will discuss the proposals now agreed upon and others under discussion in California.

"This is definitely a jobs issue, but that impact has been ignored, said ELCON

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# The Issue That Must Be Addressed

By Dave Lyons, Chairman, ELCON

For years, in most U.S. manufacturing companies, those of us who worked in the energy area worked on energy and our colleagues who worked on environmental issues stuck to the environment.

That worked well. We energy folks focused on managing the energy operations of our various facilities. We purchased natural gas and electricity through long-term and short-term contracts, always mindful of risk, trying to provide the most efficient, low-cost fuel mix.

The environmental folks were concerned about emissions. Depending on the industry, environmental analysts might focus more on air or water or maybe even solid waste. They needed to keep abreast of a host of state and federal rules and regulations. But energy issues, like fuel use, efficiency and conservation, were barely in their vocabulary-and certainly not in their bailiwick.

That has now changed. Almost every manufacturer is now trying to cope with an issue that different people call a different thing. But whether one calls it climate change, greenhouse gas emissions (GHG) or even global warming, it's at the top of almost everyone's list. It has inseparably wedded energy and environment together.

Early in the debate, and by that I mean over 10 years ago, most companies viewed the issue as primarily an environmental one while-at the same time-always mindful of the inescapable ties that bind energy and carbon. Manufacturers were concerned about the impact on operations (and, in fact, we are still concerned), about legislative or regulatory limits on emissions of GHG emissions from our own facilities and the impact of cost, quality and reliability of our nation's energy supply.

As the debate progresses, U.S. manufactures continue to improve operations and develop new advanced technologies to minimize energy and other business risk.

We share the concern expressed by many that climate change could affect future generations and the option of doing nothing is no longer possible or advisable. While science is not 100-percent conclusive, we must continue to push for advances in climate science to ensure fuller understanding and to ensure that responses by government or the private sector are appropriate.

Climate change and GHG emissions are global issues and thus should be considered on a global basis. Efforts to mitigate GHG emissions must be embraced by developed and developing countries alike. Without a global commitment to reducing GHG emissions, little or no environmental benefit will be realized and economic disruption will result.

The potential cost impacts to America's manufacturers-due to the possibility of mandated changes in their own operations and mandated changes in the electricity-generation industry-is so great that efforts are necessary to ensure that any actions taken are balanced and result in the lowest possible cost.

We should stop trying to decide if this issue is an energy or an environmental issue. It is, in fact, both as carbon has become the driver of the U.S. and global economies and must be considered as such when corporations make policy decisions.

My company, along with most ELCON companies, is committed to reducing GHG emissions. We have worked with environmental and utility groups to find acceptable solutions to very complex problems. And we have looked at our own operating procedures to achieve as much energy efficiency as possible at our plants as well as making a more energy-efficient product.

But we must also look at the real world. Policy makers must be realistic and not bet our future on new low-GHG technologies that might be.

Nowhere is this uncertainty more evident as in the CAFE challenges now facing the auto industry. But it is also unmistakably clear that the electricity industry will face a similar challenge under GHG-reduction regulations. Policies must both encourage new technology and provide flexibility if the targets and timetables are technically unrealistic.

We are concerned when much of the hope in the electricity sector is pinned on using nuclear, renewables and clean-coal technologies to achieve lower levels of carbon emissions when those technologies are not commercially available-and may not be for a long period of time.

## ELCON Elects New Officers

ELCON elected new officers for 2008 during its February annual meeting in Las Vegas.

Dave Lyons of Chrysler was elected Chairman. Lyons has spent the past two years as vice chairman and secretary-treasurer, respectively. In addition to his work with ELCON, Lyons has been an active participant in stakeholder groups for the organized markets and in USCAP, working on greenhouse gas issues. He said that "now, perhaps more than ever, we need to be sure that the organized markets adopt more of a consumer focus."

Jim Hoyt of Tate & Lyle is the new Vice Chairman. He was secretary-treasurer in 2007. Hoyt has previously played a leadership role in the Council of Industrial Boiler Owners as well as in the Tennessee Valley Industrial Consumers group. "Industrial consumers need to be concerned about the continued linkage between environmental objectives, sound energy policy, and the overall economy. We need 'real world' solutions to real world problems," he said.

Walt Brockway of Alcoa is the new Secretary-Treasurer. Walt is an active member of the Tennessee Valley Industrial Consumer group, and he has been an outspoken advocate of demand response, speaking at several national conferences. "Electricity is an issue with many component parts," he said. "ELCON helps bring those parts together so we can consider the total issue." E

# ELCON Leads Consumers in Meeting With Sen. Bingaman on Organized Markets

ELCON President John Anderson led a group of electricity consumers in a meeting with Sen. Jeff Bingaman (D-NM), chairman of the Senate Committee on Energy and Natural Resources, to discuss the shortcomings in today's "organized markets."

Anderson applauded Chairman Bingaman's comments, made in a recent speech to utility CEOs, that his Committee would hold oversight hearings on electricity markets this year. During the meeting Anderson cited numerous flaws in today's markets, including high prices, the unavailability of long-term contracts at reasonable rates, inadequate investment in generation and transmission, and an RTO governance structure that is skewed to generators.

More than one hearing may be necessary, Anderson suggested.

He noted that the Committee has not held any oversight hearings on energy issues since 2001, and that since then Congress has passed the Energy Policy Act of 2005, and FERC has issued a number of rules governing how energy markets are supposed to work. "FERC seems pleased with today's markets and wants to encourage their operation. ELCON and the other consumers who met with the Chairman have a different point of view - they see the markets as dysfunctional with little competition and few if any consumer benefits," he said.

"These problems are not self-correcting, Anderson continued. "As long as the governing structures of the RTOs are skewed toward the supply side, and as long as FERC views these markets as competitive, the problems will remain and consumers will suffer."

Anderson was accompanied by Mark Crisson, president of the American Public Power Association, Charles Acquard, executive director of the National Association of State Utility Consumer Advocates, and Mark Cooper from the Consumer Federation of America.

# ELCON Member On DOE Committee

Long-time ELCON member Irv Kowenski, president of Occidental Energy Ventures Corporation, was recently appointed to the Department of Energy's Electricity Advisory Committee.

The newly created body was established to provide counsel to the Department on long-range planning and priorities for the modernization of the nation's electricity delivery infrastructure.

The 30 members of the committee will serve one-year or two-year terms. Among the members are some of the nation s top public- and private-sector leaders in electricity policy, planning and operations. The panel s first meeting will be May 20 in Arlington, Va. Plans are for the committee to meet at least annually.

According to a Department press release, the committee "will provide senior-level counsel to DOE's Office of Electricity Delivery and Energy Reliability in carrying out its mission and meeting requirements of the Energy Policy Act of 2005 and the Energy Independence and Security Act of 2007.

ELCON President John Anderson stated, "Irv Kowenski will bring the dual perspective of coming from a company that is both one of the largest electricity consumers in the country and one of the nation's leading cogenerators. Irv understands the multitude of issues regarding our electricity infrastructure and how they inter-relate."

For some manufacturing processes, purchased electricity is more than half of operating costs. That level of increase cannot be borne by American companies operating in today's global marketplace. The impact on manufacturing jobs could be overwhelming.

From the perspective of ELCON members, this issue is unlike any other. That is why our last two workshops have focused on this topic and our next one will address related issues (see related articles).

The scale of the undertaking to address climate change is enormous and should not be underestimated. For this issue to be successfully addressed, it requires technical input from all stakeholders. And that input must be based on real-world assumptions.

We need a rational, balanced approach to these serious challenges one which protects our environment, strengthens our energy security while allowing us to grow our economy.

Too much is at stake to act otherwise.

*Dave Lyons is Manager, Energy Planning, Chrysler*

# ELCON Member Honeywell A Leader In Demand Response

ELCON member Honeywell is joining with Baltimore Gas and Electric to provide marketing, installation and call center support to the utility's residential demand response infrastructure program. The new Honeywell UtilityPRO thermostat will be a key feature of the program, which will cut energy costs for participating customers and give BG&E greater control of peak consumption during periods of high demand.

BG&E expects to enroll 420,000 customers in the program, approximately 50 percent of the utility's residential customer base. The utility estimates the program will reduce over 600 megawatts of peak energy use by 2012, equivalent to the generation capacity of a small- to mid-sized power plant.

"ELCON is proud of Honeywell," said ELCON President John Anderson, "and we are pleased that a utility recognizes that demand response is a valuable tool that can be utilized in the residential as well as the industrial sector. The most efficient megawatt is the one that is never built -- we hope that programs like this will be adopted by many more utilities."

# Greenhouse Control Costs Depend On Implementation, Workshop Told

If federal legislation adopting a cap-and-trade approach to limit greenhouse gas emissions is adopted, the question of whether the emission allowances are auctioned off or are allocated at no cost will have a real-world cost impact on consumers, according to Karen Palmer, director of Resources for the Future's Electricity and Environment Program.

With a free allocation of allowances, "more cost is borne by consumers," she said. Auctioning the allowances has "efficiency advantages" and provides incentives to discourage CO2 emissions. She questioned whether a free allocation would promote needed technology advancements.

"Free allowances are expensive" because they result in higher electricity bills and higher prices for goods produced with electricity, Palmer asserted. She said the impact would differ according to whether states have "bundled" or "unbundled" electricity markets, the impacts being less severe in bundled states with cost-of-service prices.

Palmer discussed the proposed option of allocating emission allowances to the load side rather than to generators. She opposed that approach, arguing it "will not provide incentives for efficiency" and will "constitute a windfall for consumers" through a subsidy of electricity prices. But she offered a compromise, suggesting that initial allowances could be allocated to the load side with a transition to the generator side over time. She said she thought the "first seller approach is the fairest," being more precise and more market oriented.

"It makes sense to have allocation close to the source of emissions," she stressed. "Consumers, not generators, will bear most of the cost of climate policy. Compliance should be on the generators."

Further analysis of the price impact of capping greenhouse gas emissions was provided by Chris Ellsworth, director of energy markets and forecasting for Science Applications International Corporation (SAIC). He was the project leader for a study on the potential impact of climate change policies on energy markets recently undertaken by the Natural Gas Council for several gas industry trade associations. That study used data from the National Energy Modeling System (NEMS) to analyze legislation.

Ellsworth noted that NEMS was constructed to facilitate analysis of alternative energy futures, and it "integrates North American energy markets across industry segments."

Their findings raised several questions about the low-cost impact often ascribed to cap-and-trade legislation because many of the projected efficiencies are based on carbon capture and storage. The problem is that "those technologies are not yet available," he said.

He predicted that the cost of carbon will be much higher than today's estimates from the Energy Information Administration -- which he said paints "a rosy picture" -- and other sources. It could reach $150 per ton by 2030, though these results are sensitive to the use of carbon offsets, new technologies, and carbon allowances, he said. E

# States, Regions Already At Work on Controls

States have shown an "enormous amount of activity" regulating greenhouse gas (GHG) emissions, according to Joe Kruger, policy director of the National Commission on Energy Policy, speaking to ELCON's Winter Workshop in Las Vegas.

Kruger said "many states want to be ahead of the curve" and have implemented programs that including various renewable portfolio standards, emission registries, and local cap-and-trade allowances. Some states have taken early action on the issue to provide certainty to emitters and to encourage economic development, he said, while others have proceeded in the hope that they can more effectively influence the federal debate on greenhouse gas emissions.

One of the most advanced efforts is the Regional Greenhouse Gas Initiative (RGGI) operating in 10 New England and northeastern states. According to Kruger, its first auction will be this June, implementation will begin in 2009, and its stated objective is a 10-percent reduction in emissions from the power sector by 2019.

A California statute (AB 32) mandates reducing emissions to 1990 levels by 2020. The registry of affected facilities will be completed by January 1, 2011, and the program will begin one year later.

California, along with six other western states, is also participating in the Western Climate Initiative, which is still in the formative stage. According to Kruger, there are "lots of issues unresolved" as the states wrestle with the overall scope of the effort, including such issues as point of regulation, allocation, and offsets. Kruger also mentioned the Midwestern Greenhouse Gas Accord, which is scheduled to begin operations this fall. E

## Next ELCON Workshop

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President John Anderson. Only recently have policy makers begun to focus on the real world impact if proposals to restrict greenhouse gases are adopted. We are not arguing with the science and we are not trying to just say no. On the contrary, we are trying to say here's what happens to our industrial base when you just say yes."

ELCON's Workshops are open only to ELCON members and to representatives from manufacturing companies that are considering ELCON membership. For more information contact ELCON (elcon@elcon.org 202-682-1390). E

# Emission Allowances, Role of States Viewed As Crucial Greenhouse Issues

Climate change is "one of the biggest issues" facing utility commissioners this year and has led the National Association of Regulatory Utility Commissioners (NARUC) to pass a resolution expressing general support for federal legislation, according to a keynote presentation by Marsha Smith, a public utility commissioner from Idaho and chair of NARUC, at ELCON's Winter Workshop in Las Vegas. Utilities need a degree of "certainty" for effective long-term planning, she said.

The resolution recommends regulating emissions not only from electricity generators but also from "as many greenhouse gas emitters as possible." If allowances are issued, as proposed under the several cap-and-trade proposals being considered, NARUC recommends giving the allowances to local distribution companies rather than to power generators as many others have proposed.

The allocation of allowances (who allocates, who gets the allocations, and whether they are auctioned) is "the key question," according to Joe Kruger, policy director of the National Commission on Energy Policy. He observed that states are eager to play a role, and many states have already approved plans to restrict greenhouse gases on a state or regional basis. He said this could cause problems in the future. As states go "farther down the road" and implement their own programs, it will become "more difficult to enact federal legislation" which might have to interface with existing state statutes. This would be especially troublesome if states had begun granting emission allowances.

Karen Palmer, director of the electricity and environment program for Resources for the Future, echoed Kruger's analysis of the allocation issue. She saw as particularly difficult to resolve questions about the role of the states and whether allowances should be free or auctioned.

Palmer disputed the idea that a proposed cap-and-trade program for greenhouse gases is analogous to the existing Environmental Protection Agency program for sulfur dioxide ($SO_2$). The present value of $SO_2$ allowances is approximately \$2.7 billion per year, whereas, depending on the level of permitted greenhouse gas emissions, a carbon cap-and-trade program would authorize allowances in the range of at least \$56 billion and possibly up to \$450 billion per year, she said.

A word of caution about the efficacy of a cap-and-trade approach was offered by Jennifer Martin, director of certification and analysis for the Center for Resource Solutions. In her opinion, such a program could negate the benefits of energy efficiency, because voluntary renewable energy purchases would not be credited.

Kruger was optimistic a solution would be found to the allowance quandary. He said House Speaker Nancy Pelosi (D-CA) supports early state action and opposes federal pre-emption. But he was far from certain about the prospects of enacting federal legislation in 2008. Though he anticipated a Senate vote in the spring on something akin to the Lieberman-Warner bill approved by the Senate Environment and Public Works Committee last year, he said he saw more difficulty in getting the House to approve a bill. He predicted that Rep. Rick Boucher (D-VA), chairman of the House Subcommittee on Energy and Air Quality, would be pushing for passage, but Rep. John Dingell (D-MI), chairman of the full Energy and Commerce Committee, would oppose action this year. E

*Photos (l-r): Marsha Smith; ELCON's John Anderson and outgoing Chairman Lloyd Webb; Karen Palmer, Manuel Oliva, Joe Kruger, and Jennifer Martin*

# ELCON Activities Before The Federal Energy Regulatory Commission

## *ELCON Meets with FERC Commissioners on Organized Market Problems*

A contingent of ELCON members met with three FERC Commissioners as part of ELCON's March meetings. The group met separately with Commissioners Suedeen Kelly, Marc Spitzer, and Jon Wellinghoff at the FERC offices. ELCON members related the problems they are encountering in the organized markets, including pricing models, governance, and demand response and discussed how FERC's proposed rule addresses -- or does not address -- those problems.

The Commissioners were united in seeking to realize more fully the potential that demand response can provide during periods of peak power demand. Several ELCON members related how their companies could reduce consumption during such periods, and how demand response was a primary remedy to the power shortages experienced in Texas during "low wind" days in February and March.

ELCON members were heartened to learn that FERC would be holding a Technical Conference on demand response sometime in the spring, and they were urged by several commissioners to meet with FERC staff on the issue as soon as possible.

ELCON members also expressed their opposition to granting utilities incentive rates for new transmission and expressed their appreciation to Commissioners Kelly and Wellinghoff for their opposition to these rates in recent FERC decisions. E

## ELCON NOPR Comments

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market-monitoring policies, and responsiveness of ISOs and RTOs to stakeholders and customers.

Much of ELCON's comments focused on the proposed rules for demand response, which Anderson said showed "considerable improvement." Many of ELCON s recommendations on the ANOPR were adopted, he noted. FERC is to be commended for recognizing the potential benefits of demand response and acting accordingly," he said.

ELCON urged FERC to adopt a pro forma tariff for demand response to ensure consistency among the organized markets. The NOPR proposes to allow each RTO and ISO to adopt its own rules.

"Piecemeal implementation by six RTO/ISO stakeholder processes may not produce the intended results absent strong leadership and more focused direction from the Commission," ELCON said. FERC has shown a preference for standard rules and procedures for generators and other transmission users in several previous proceedings involving tariffs, starting with Order 888 on non-discrimination for the transmission grid, ELCON noted.

ELCON urged FERC to look at how demand response is being implemented in ERCOT and cited that program, (LaaR, short for Load, acting as a Resource) as a possible model.

ELCON also asked FERC to clarify language that demand response bids in ancillary services markets be "comparable" to generator bids, noting that industrial demand response can often provide grid operators with greater value than typical generator bids.

ELCON criticized the proposal on scarcity pricing and urged delaying any such requirement until "the pre-conditions necessary to safeguard consumer interests" are addressed. If FERC decides to move ahead on this, ELCON suggested a phase-in requirement of at least three to five years and establishment of benchmarks (on a sliding scale basis) to measure the ability of specific market factors to protect consumers from the exercise of market power at the time of scarcity.

On the issue of long-term power contracting, ELCON said "much more is needed" -- alternatives need to be explored that are consistent with ELCON's position." The definition of a long-term contract should be substantially more than one year and consistent with building cycles of new or expanded production capacity, ELCON said.

On market monitoring, ELCON favors a hybrid structure with both internal and external components. Anderson praised the proposal to have the MMU report to the ISO/RTO Board, not management.

On RTO governance, ELCON said ISOs and RTOs should have hybrid boards with both independent and stakeholder members.

"FERC's proposed rule has some very good features," said Anderson. "As consumers, ELCON members are hopeful that the final rule will have even more." E

# Energy Efficiency As Greenhouse Tool

Energy efficiency is the fifth fuel," Marsha Smith, Chairman of the National Association of Regulatory Utility Commissioners (NARUC), told ELCON's Winter Workshop in Las Vegas. "The cheapest energy is the energy you don't have to use," she said.

Among her duties as NARUC chairman, Smith co-chairs the National Action Plan for Energy Efficiency. One of the tasks that group is undertaking is "to verify energy savings from efficiency," and Smith paraphrased Ronald Reagan by emphasizing that she plans to "measure and verify." Anecdotally, she related the experience of her home state of Idaho in attempting to achieve energy efficiency through the decoupling of the local utility's earning from its volumetric sales. (She noted she was fully aware of the importance of decoupling as an issue for ELCON.) In a pilot program that did not include industrial users, the local Idaho utility was guaranteed a certain earnings level in exchange for undertaking efficiency efforts that were supposed to result in decreased power use. The pilot program did not produce a decline in electricity consumption, however, and the utility then had to refund $3 million to its customers.

Manuel Oliva, technical director of EPA's Climate Leaders Program, described his agency's efforts to reduce emissions through its "voluntary greenhouse gas reduction program." That program cuts across all economic sectors and now prevents emissions "equivalent to 8 million cars" from entering the atmosphere, he said.

He described his program's role as "working with Congress to develop a long-term comprehensive greenhouse gas management strategy." He also works with companies that participate in the plan, in which they establish a base year and then develop an inventory management plan to reduce emissions.

A large part of the Climate Leaders program deals with carbon offsets. Four criteria must be met for an offset to be allowed: it must be real, provide "additionality," be permanent, and be verifiable. There are many offset options available, including reforestation and methane recapture. The Climate Leaders program also supports "green power" as a means of reducing harmful environmental impacts, since there are no man-made greenhouse gases.

The "easiest way" for a company to achieve its emission goals is "through energy efficiency," said Oliva.

The Climate Leaders program is about to take on an additional responsibility. Oliva reported that the Continuing Resolution passed by Congress at the end of 2007 directs the program to compile a registry of greenhouse gas emitters, ranging from "upstream production" to "downstream sources." EPA will issue a proposed rule within nine months and a final rule within eighteen.

Jennifer Martin, director of certification and analysis for the Center for Resource Solutions, described her organization's "Green-e" certification program. She said numerous companies participate in the Green-e program to demonstrate an environmental commitment, to offset emissions, or to support corporate sustainability goals.

The Green-e program authenticates renewable energy certificates (RECs) that embody the non-energy attributes of renewable generation and allows end users without direct access capability to purchase energy from renewable sources. Prices for RECs vary tremendously, she observed, depending on region, timing, supply and demand, and other factors.

She emphasized that Green-e's verification process mandates clear ownership of the REC, prohibits double counting, and requires complete tracking of the energy process. E

## Greenhouse Costs

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Perhaps the biggest reason to be skeptical about Senate action is growing awareness of the real impacts that a law to cap greenhouse gases would have.

A recent Environmental Protection Agency analysis of the Lieberman-Warner bill predicts a "moderate" cost impact on the economy -- including a 44-percent increase in electricity prices by 2030.

Several other studies have predicted massive job losses if Lieberman-Warner is enacted. One conducted jointly by the National Association of Manufacturers and the American Council for Capital Formation predicted job losses of 1.2-1.8 million by 2020. Another by the U.S. Chamber of Commerce forecast 3.4 million American jobs lost. The Chamber and NAM are beginning joint grassroots campaigns across the country to inform the public about the potential impact of Lieberman-Warner and to influence uncommitted Senators.

The potential job loss argument is playing out slightly differently in the House, where Rep. John Dingell (D-MI), chairman of the House Energy and Commerce Committee, has focused concern on the competitive advantages that foreign countries not adopting greenhouse gas reduction measures could gain over those that do. He fears that American manufacturers could incur significantly higher costs than non-U.S. operations, leading again to domestic job losses and facility closures.

Given these issues and concerns, while nearly all observers agree that at some point Congress will tackle greenhouse gas emissions, that point may not come this year. On the other hand, since all three major presidential candidates are strong supporters of federal action, delaying consideration of the issue may result in a stronger bill rather than a weaker one. E

**Interested in ELCON Membership?**

**Contact elcon@elcon.org**

**Or phone us at 202-682-1390**

## *WHAT IS ELCON?*

**DATE ORGANIZED***:* January 15, 1976

**WHO WE ARE**: The Electricity Consumers Resource Council (ELCON) is the national association representing large industrial consumers of electricity. ELCON was organized to promote the development of coordinated and rational federal and state polices that will assure an adequate, reliable and efficient supply of electricity for all users at competitive prices. ELCON's member companies come from virtually every segment of the manufacturing community.

**MEMBER COMPANIES**: Air Liquide Alcoa Anheuser-Busch Companies, Inc. BP Chevron Chrysler Corning, Inc. E.I. du Pont de Nemours & Co. Eastman Chemical Company ExxonMobil Power and Gas Services, Inc. Ford Motor Company General Motors Corporation Gerdau Ameristeel Honda Honeywell Intel Corporation Johns Manville Lafarge Linde Group Monsanto Co. Occidental Chemical Praxair Procter & Gamble Shell Oil Products Solutia, Inc. Tate & Lyle The Timken Company

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