

A RESOLUTION opposing cap and trade legislation that would negatively impact Americans by increasing the costs of goods and services and instead supporting legislation that would encourage states to establish and develop their own renewable energy portfolio standards.

WHEREAS, President Barack Obama has proposed legislation to the United States Congress to implement a cap and trade emissions trading system that would establish a cap on greenhouse gas emissions, require those who emit greenhouse gases to purchase government credits to offset emissions, and allow those emitters to trade or sell those credits; and

WHEREAS, companies that are required to participate in the cap and trade program will ultimately pass on the cost of participation in the program to consumers. The Congressional Budget Office estimates that price increases resulting from a 15 percent cut in greenhouse gas emissions would cost the average household between 1.7 percent and 3.3 percent of its after-tax income every year, with households in the bottom fifth of the income scale losing the largest share of income; and

WHEREAS, the combustion of coal produces more than 50 percent of the electricity generated in the United States, with Kentucky receiving more than 95 percent of its electricity from coal. The cap and trade program will result in massive increases in energy costs for all consumers because the cost to produce electricity from coal will be markedly higher. The increased energy costs will disproportionately impact states in the middle part of the United States, such as Kentucky, that are more reliant on coal. The Congressional Budget Office has acknowledged that these increases in energy costs will effectively act as a regressive tax affecting every household in the nation, with a disproportionate effect on poorer families; and

WHEREAS, the cap and trade program will result not only in a massive windfall of hundreds of billions of dollars for the federal government through the sale of emissions credits, but also in the loss of hundreds of thousands of jobs. The program ultimately will

not result in the overall global decrease of greenhouse gas emissions because many industries that emit greenhouse gases will merely relocate to countries with less stringent standards;

NOW, THEREFORE,

*Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky:*

➔Section 1. By adopting this Resolution, the Senate expresses its opposition to cap and trade legislation that would negatively impact Americans by increasing the costs of goods and services and instead supports legislation that encourages states to establish and develop their own renewable energy portfolio standards.

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NOW, THEREFORE,

*Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:*

➔Section 1. By adopting this Resolution, the House of Representatives expresses its opposition to cap and trade legislation that would negatively impact Americans by increasing the costs of goods and services and instead supports legislation that encourages states to establish and develop their own renewable energy portfolio standards.