



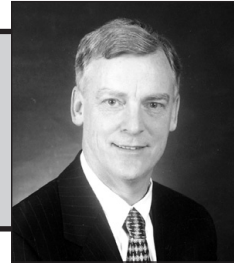
# Howard Electric Co-op News

Your Touchstone Energy® Partner 

Hwy. 5 & 240 N., P.O. Box 391, Fayette, Mo. 65248 • Phone: (660) 248-3311 • www.howardelectric.com

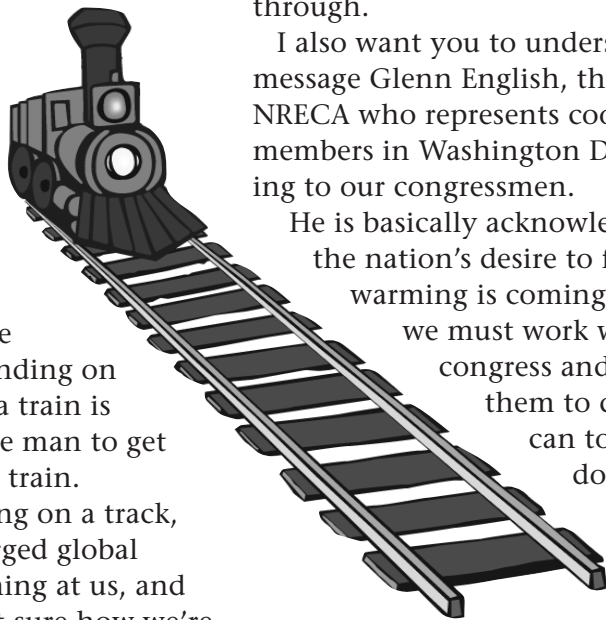
GLOBAL WARMING

## Manager's Column



Richard Fowler

Over the last few years, I have accumulated information on global warming that I knew I would one day want to share with you. If a child walks out into the street, you warn the child to get out of the street. If a man is standing on a railroad track, and a train is coming, you warn the man to get out of the way of the train.



Well, we are standing on a track, and a politically charged global warming train is coming at us, and quite frankly, I'm not sure how we're going to get out of it's way.

You have a right to understand the implications of what this train will

leave in its wake after it rolls through.

I also want you to understand the message Glenn English, the CEO of NRECA who represents cooperative members in Washington D.C., is taking to our congressmen.

He is basically acknowledging that the nation's desire to fix global warming is coming at us and we must work with

congress and press them to do all they can to hold down costs while addressing this issue. He

is also pleading with congress to not pass legislation that assumes certain technologies will be in place when in

fact, it may take more than a decade to create these new technologies. I support Glenn in this task and think he is right on track. (Pardon the pun). But, you can read Glenn's thoughts for yourself in this section.

Glenn understands that if there is a nationwide groundswell to "do something about global warming", he can't undo that groundswell – and neither can I.

But in my own little corner of the world, I will share with you the information I have accumulated over the years. I think it's important information that needs to be discussed. Yes, I know, I'm an "industry insider." For some, that negates my opinion. But it doesn't negate your opinion. Who knows, perhaps with your help – we can start a groundswell of our own.

## Global Warming Index

Manager's Column .....	Page 1
Glenn English & the Nation's Electric Co-op's Position on Global Warming..	Page 2
The China – India Connection .....	Page 2
Global Warming Update.....	Page 3
Are Temperatures Rising?.....	Page 3
Energy Choices .....	Page 4
Global Warming – What Others are Doing .....	Page 5
The Politics of Global Warming .....	Page 6
What are our Priorities? .....	Page 7
Error in Temperatures .....	Page 7
Cap-and-Trade or Carbon Taxes.....	Page 8
Carbon Trading in Europe .....	Page 8
A Floating Carbon Tax – A Novel Idea .....	Page 8

# RURAL

M I S S O U R I



**GLOBAL WARMING**

## Glenn English & the Nation's Electric Co-ops' Position on Global Warming

If you have detected a shift in the national debate on climate change, you would be correct. The focus in the U.S. Congress is not on whether climate change is a problem, but what to do about it and when.

As the Congress moves aggressively on legislation to curb greenhouse gases – primarily carbon dioxide, or CO2 – legislators cannot ignore the reality of energy supply and demand.

The need for a reality-based approach is particularly important for us in the electric cooperative industry, because, according to the experts, the surplus generating capacity that was built up over the years has now run out. In the next 10 to 15 years, we need to increase the generating capacity we own and operate by 50 percent just to meet projected growth in co-op service areas. And coal is the most plentiful and affordable source of fuel today. New policies regarding coal-based generation at the state and federal levels will have a dramatic effect on our power production and electric rates.

Some folks tout renewable energy as the answer to reducing CO2 emissions as well as postponing or barring power plant construction. Others urge reducing demand through energy efficiency programs. Electric co-ops have long embraced both renewable resources and energy-efficiency programs. These options are only part of the solution, however. Unfortunately, there is no single, inexpensive, quick-fix solution, but we must commit ourselves to getting the job done.

The Electric Power Research Institute, an organization of scientists and electrical engineers, has offered a seven-part strategy. To achieve significant CO2 reductions by 2030, EPRI says we will need to employ energy efficiency, renewable energy, nuclear power, new coal technology, carbon capture technology, plug-in hybrid vehicles, and distributed generation.

According to EPRI, new technologies such as carbon capture and storage are not yet available and will require an investment of billions of dollars by Congress to become reality anytime soon. A recent Massachusetts Institute of Technology study concludes that widespread application of such technology is more

than a decade away.

Those investment and timeline projections seem at odds with the current congressional mindset. There is a reality gap in Washington and across the country on how and when to achieve these goals. We must close this reality gap between imaginary quick-fix solutions and realistic possibilities to reduce CO2 emissions. It will take a lot of straight talk to get the Congress to recognize the effort will be neither easy nor cheap.

As member-owners of your electric cooperative, you can be assured that we are doing everything possible to look out for your interests. Your local co-op and the network of nearly 1,000 co-ops nationwide have two primary concerns as this debate unfolds. First, to keep the lights on. Second, we will do everything we can to minimize rate increases that will arise as new power plants are built and new environmental regulations add to the cost of power.

We are telling the Congress that any plan to reduce manmade CO2 emissions should cover emissions from all sectors of the economy, not simply electricity generation. Any climate change proposal should maintain fuel diversity, allowing a variety of fuel sources, including coal and nuclear generation, to meet the energy and economic needs of the country.

America's electric co-ops have pledged to work with the Congress on climate change legislation. The nation needs sound, responsible legislation. Such legislation should provide incentives to increase efficiency and the use of renewable energy sources. Responsible legislation will fully fund research to hasten the developments of needed technology. And good legislation will balance the electric bills of consumers, the health of the economy, and the needs of the environment.



**Glenn English, CEO  
NRECA**

Glenn English  
Chief Executive Officer  
National Rural Electric Cooperative Association

### The China – India Connection



Over the next 8 years, China will build 500 new coal plants, and India will build 200 new coal plants. China, over that same 8 year period, will add CO2 that is four times what Kyoto would save (if Kyoto were adhered to).

Malaysia, Japan, Indonesia, Thailand and Turkey are all planning significant new coal-fired power plant additions.

Even Kyoto-loving Germany has many planned coal-fired power plants.

Russia expects to triple their use of coal by 2020.

The only countries that have substantially reduced CO2 emissions over any extended period of time are the former Soviet Union and Eastern Europe. Their "method" was economic collapse.

But the biggest growth in CO2 will by far come from China and India.





## Global Warming Update

**C**arbon Dioxide from Coal Fired Power Plants has been blamed for global warming. But cyclical changes in global temperatures have always occurred.

Between 1850 and 1940 global average temperatures rose by about a half of a degree centigrade, during which time atmosphere CO2 increased by about 28 parts per million per year. Then, average temperatures fell from 1941 to 1976 by 3 tenths of a degree centigrade. During this time, CO2 rose by 60 parts per million, over twice as fast as from 1850 to 1940. If increasing CO2 causes increased temperatures, why didn't the average temperature rise between 1941 and 1976?

Since 1941 was the beginning of the industrial revolution, (more coal fired power plants and more cars) why did temperatures fall?

Did you know that from 1999 to 2006 average worldwide temperatures

have actually declined by .13 degrees centigrade.

If someone were to ask you, "What % of the air we breathe is carbon dioxide", what would be your answer? Most people when asked that will answer 30% or 20% or 10%. But, it's not 10%

*"Future generations will wonder in bemused amazement that the early twenty-first century's developed world went into hysterical panic over a globally averaged temperature increase of a few tenths of a degree, and, on the basis of gross exaggerations of highly uncertain computer projections combined into implausible chains of inference, proceeded to contemplate a rollback of the industrial age."*

- Professor Richard Lindzen, M.I.T.

or 1% or even one tenth of 1%. It's 3.8 hundredths of 1% (.038%). 78% of the air we breathe is Nitrogen and 21% is oxygen.

Now, if you add up all the CO2 coming out of power plants in the world,

all the CO2 coming out of cars in the world, that total CO2 is far less than the CO2 that humans and animals exhale, and far less than the CO2 produced by decaying vegetation. By far, the biggest sources of CO2 are the oceans.

There is a very strong case being made that solar activity much more accurately tracks and causes the earth's changing temperatures. In fact, several scientists are now arguing that rising temperatures cause CO2 to rise (rather than CO2 causing temperatures to rise). If it is true that global temperatures are mostly effected by solar activity, then attempts to reduce CO2 to bring down global temperatures would be irrelevant.

Increasing CO2 causes trees and plant life to flourish. CO2 also improves water-use efficiency of plants. And these plants take the CO2 and create oxygen for us to breathe.

## Are Temperatures Rising?

**A**ugust was a hot month. But usually the month of August is a hot month. If we were to look at the top ten hottest days ever in Columbia, MO, would any of the hot days in the last 5 years make the top 10? How about the last 10 years? How about the last 20 years? Well, here are the records for Columbia, MO as taken from the NOAA Weather Service.

### Top Ten Hottest Days Columbia, Missouri

- 113 – July 14, 1954
- 113 – July 12, 1954
- 111 – July 15, 1936
- 111 – July 25, 1934
- 111 – July 18, 1954
- 111 – July 30, 1980
- 110 – July 01, 1980
- 110 – Aug 29, 1984
- 110 – Aug 09, 1934
- 110 – Aug 10, 1934

No dates in the last 24 years have made the Top 10 hottest days and 8 of the 10 hottest days are more than 50 years old.

But that's individual dates. What about years as a whole. If you look at the average temperature FOR THE WHOLE YEAR – what are the top 10 hottest years in that category for Columbia? Answer – Nothing newer than 1954. And when you look at the warmest January, February, March, April, etc. in Columbia, MO – the record's hottest for each of the 12 months fall between 1889 and 1980, nothing newer than 1980. That's 27 years ago.

But that's just Columbia, MO, what about other places? The hottest temperature ever, anywhere in Missouri was in 1954, Arkansas – 1936, Illinois – 1954, Kansas – 1936, Iowa – 1934, Oklahoma – 1994.

The hottest temperature in the U.S. was recorded in 1913, 95 years ago. By the way, that temperature was

136 degrees. Wow, that's pretty hot! (Source [www.crh.noaa.gov/lsc/climate/top10.php#10hottestdays](http://www.crh.noaa.gov/lsc/climate/top10.php#10hottestdays))

But if global warming is occurring, shouldn't we be seeing temperatures rising? Well, according to the United Nations Intergovernmental Panel on Climate Change, temperatures have gone up worldwide by -- a half of 1 degree – in the last century. Well, that doesn't seem like much.

Temperatures have actually fallen in the last 7 years, but it is the United Nations IPCC predictions that have the nation's press excited. The IPCC predicted that by 2100, the average temperature would rise by 3.2 degrees. That prediction was made in 1990. In 1992, they lowered their prediction to 2.6 degrees, and lowered it again in 1995 to 2 degrees. In 2001, they acknowledged it could be even less than that – or more. If climate models can't predict weather 2 years out, how are they going to predict 100 years out?

GLOBAL WARMING 



GLOBAL WARMING

## Energy Choices

### Natural Gas

Gas consumption is expected to grow by 20% by 2020. Almost all of this growth is electricity generation. 85% of our natural gas comes from the U.S. Production for natural gas peaked in 2001. We have had record drilling for natural gas since 2001, but natural gas has limited access to drilling. We are not permitted to drill off most U.S. coasts and limited drilling in Alaska. It has been estimated that there are 65 years worth of Natural Gas Resources that can't be drilled for environmental reasons. Since natural gas production peaked in 2001, will we even be able to supply natural gas to the utilities who are afraid to build coal plants? LNG (Liquid Natural Gas) is not the preferred answer. Use of LNG will make us further dependent on 3rd world countries for our nation's energy needs.



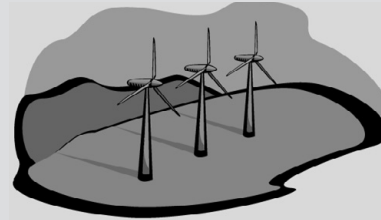
### Nuclear

There are currently 103 U.S. nuclear plants operating putting out 788 billion KWH's at a cost under 2 cents per KWH. Environmental groups have shut down our nuclear industry after the Three-Mile Island accident (no known deaths). But there appears to be a softening by environmental groups to return to nuclear. Unfortunately, there is only one company left in the world that makes key construction parts for nuclear plants (located in Japan). Nevertheless, there are a few utility companies in the U.S. re-evaluating nuclear (including Ameren and TVA).

### Wind

There is no "economical" way to store wind energy so wind energy fails to offer the reliability of base line energy. Nevertheless, with the subsidies currently in place,

wind energy has a definite part to play in off peak power. Associated Electric has recently purchased wind energy that will no doubt benefit the cooperative members. But base-line generators must be in place to generate electricity when the wind is not blowing.



When the wind "kicks up" most likely, expensive natural gas will be ramped down rather than the cheaper coal generation. So when wind generators kick in – natural gas generators will most likely kick off. The amount of CO2 that wind generation will replace is limited. Keep in mind, however, natural gas puts out 40% of the CO2 that coal fired plant puts out. So, natural gas is not without CO2 production.

### Clean Coal Technologies

One of the more popular idea's being floated on Clean Coal Technologies is Carbon Sequestration. In this scenario, part or all of the CO2 would be captured and piped to an approved underground cavern where it would be sealed up. That would require a very large underground facility and a piping system that would rival our nation's natural gas piping system which would cost billions nationwide. For one utility in Canada who proposed this, (Northern States Power) a hearing judge concluded it would cost an extra 472 million to make the power plant capable of capturing just 30% of the CO2 and another 635 million to build a pipeline to move the CO2 to the nearest deep geologies storage in Alberta, Canada.

This additional cost would double the generation cost. Other clean coal technologies would take more than a decade to be developed, if they can be developed at all, and again, these developments would require significant research dollars.

### Conservation and Efficiencies

These are areas that the consumer themselves can assist in. Conservation means to use less, and efficiency means to use wisely, for example: If you turn your lights out when you're not in the room – that is conservation. If you install compact fluorescents which put out light using less KWH's – that is efficiency. If you turn your thermostat up in the summer – that is conservation. If you install a ground source heat pump which gives you air conditioning and heating using much less KWH's – that is efficiency. If every one conserved and used efficient appliances, that would postpone when the next Power Plant would need to be added. But our nation is an energy growing nation,

### Current Status

Currently coal is the largest fuel source used for electricity generation in the U.S. at 50%. The U.S. has a 300 year supply of coal and is often called the Saudi Arabia of coal. Locally, Associated Electric gets 70-80% of their energy from coal. Nationwide, natural gas is used to generate 20% of our nation's power and nuclear is also used to generate 20% of our nation's power. Hydroelectric accounts for about 7%, and the remaining 3% is other renewable energy such as biofuels, wind and solar. Over the next 20 years, the U.S. will require about 400,000 megawatts of new energy – roughly the equivalent of 400 coal fired power plants. About 31,000 of that 400,000 mega-watts is expected to be wind energy. So, 400,000 minus 31,000 is 369,000 – right? Well, not really. Because you can't count on the wind to blow at peak times, typically you can rely on roughly 2,000 of the 31,000 at peak times, leaving 398,000 to be built to meet our nation's needs. That 398,000 will have to be some source of power that can be counted on, most likely coal, natural gas, or nuclear.

Nevertheless, nationwide there has been 12,000 MW of planned coal fired power plants that were to be added in 2005. However, because of the political uncertainty for coal, only 329 MW actually got built.

In October, the Associated Press reported that at least 16 additional coal fired power plants, totally 14,000 MW of capacity, have been cancelled.

NERC (North American Electric Reliability Corp), an organization responsible for monitoring the power grid, is projecting that electricity usage in the United States will grow twice as fast as the current committed generation plans will build.

***"Nobody knows how to meet current, much less future anticipated, global energy needs with low - and - non-emitting technologies. Regulatory climate strategies put the policy cart before the technology horse."***

**Marlo Lewis in testimony before U.S. Senate Committee**

and here in Missouri, we are growing as well. Associated Electric tells us we are growing at a 100 MW per year pace (1 MW = 1 million watts).

By using conservation and more efficient appliances, we can delay future power plants, but (assuming we don't go into a recession), we can not eliminate future power plants.



## Global Warming What Others Are Doing

**T**he Kyoto Protocol was signed by 180 countries in Kyoto, Japan, in December of 1997. This protocol commits 38 industrialized countries to cut greenhouse gases (including CO2) on average 5.2% below 1990 levels. This target must be met by the 2008-2012 time frame.

Many of these 38 countries are European countries. European greenhouse gas emissions rose .4% in 2005 despite the fact that meeting European obligations under the Kyoto Protocol requires emissions to decline .3% annually. Europe is 300 million tons of CO2 away from meeting its obligations and it is highly unlikely they will meet their 2012 deadlines.

Meanwhile, Canada also is failing to meet the Kyoto Protocol and is currently in a heated debate as to whether they can meet these requirements. According to John Baird, Canada's Environmental Minister, "If the country complies with the Kyoto Protocol, gas prices will go up 60%, 275,000 jobs will be lost, and the cost to maintain a home or business will skyrocket." Canada's CO2 emissions have risen 24% since 1990.

According to a November, 2006 article in the BBC News, "Electricity prices could double in Europe if power firms are to meet the emissions targets."

From 2000 to 2004, according to the United Nations Data, U.S. greenhouse gas emissions increased only 1.3% while European nations increased 2.4%.

In 2001, Chicago's mayor Richard Daley pledged to cut CO2 emissions by using 20% renewable power by 2006. But Daley failed to fulfill his pledge after discovering the high cost of renewables as compared to coal and

nuclear.

Meanwhile many states are going forward with a CO2 reduction program:

California, New York, Maine, New Hampshire, Rhode Island, New Jersey and Washington State. With the exception of Washington State, these are the same states that thought deregulation was such a good idea.

Nationwide there are many promotions for individuals to become more energy efficient.

Being more energy efficient is a good thing. It will lower your electric bill and save you money. It may not cause the temperature of the world to go down, but it will save you money. Electric cooperatives have for decades preached "Use all the electricity you need, but make sure you need all the electricity you use." Better insulation, compact fluorescents, Energy

Star appliances, ground source heat pumps will all lower your electric bill.

If global warming is an impending disaster caused by man, why did temperatures begin warming at the end of the Little Ice Age in about 1850, long before man-made CO2 emissions could have impacted the climate?

If global warming is an impending disaster caused by man, why around 1940 (the beginning of the industrial age), just as man-made CO2 emissions rose sharply – why did temperatures begin to decline until the 1970's?

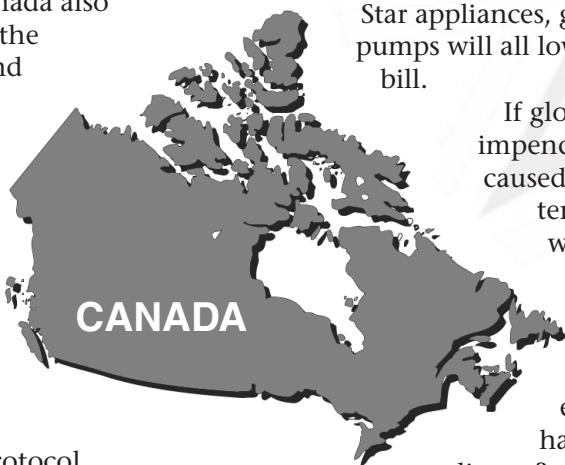
If global warming is an impending disaster caused by man, why did a 2005 study by scientist Ola Johannessen show that the interior of Greenland is actually gaining in ice?

If global warming is an impending disaster caused by man, why was the Arctic warmer in the 1930's than today?

If global warming is an impending

disaster caused by man, why have polar bear populations increased from 5,000 in the 1970's to 25,000 today?

If global warming is an impending disaster caused by man, why do ice core studies show that CO2 increases lag behind temperature rises, rather than CO2 increases leading or causing temperatures increases? This would imply that rising temperatures cause



CO2 to rise rather than vice versa.

If global warming is an impending disaster caused by man, why were there fewer sunspots during the Little Ice Age? This would imply that the sun is what effects most of our weather, not CO2.

If global warming is an impending disaster caused by man, why was solar activity greatest before 1940 (when temperatures rose) and less active in the late 1950's – 1970's (when temperatures fell)?

If global warming is an impending disaster caused by man, why did the permafrost in Russia melt far more 700-800 years ago than we are seeing now?

If global warming is an impending disaster caused by man, why are the

top 10 latest frost dates for St. Louis more than 20 years old? These dates vary between 1910 and 1986.

Wouldn't you think the global warming would have delayed the frost date enough to put it in the top10?

GLOBAL WARMING





GLOBAL WARMING

## The Politics of Global Warming

In April of 2006, Time Magazine devoted an issue to global warming warning us to “Be Worried, Be Very Worried.” This is the same magazine that warned of the coming ice age in the 1920’s before switching to warning about global warming in the 1930’s before switching again to the coming ice age in the 1970’s.

No doubt there are some very worthy environmental groups who have everyone’s best interest at heart, but unfortunately there are also some environmental groups whose sole purpose is to use scare tactics as a fund raiser for their organization. Differentiating between the two can be difficult.

Al Gore in his movie “An Inconvenient Truth” promoted a hockey stick chart in an attempt to prove man’s impact on the climate, but failed to acknowledge the Medieval Warm Period. He noted that today’s Arctic is experiencing unprecedented warmth while ignoring the warmer Arctic of the 1930’s. He claimed the Antarctic was losing ice but failed to note that that is only true in a small region of the Antarctic and that the vast bulk of the Antarctic has been gaining ice. He made assertions of massive future sea level rises which were supported by scientific “consensus”. Most scientists who believe there will be a sea level rise measure it in a few inches – not feet. (Satellite studies estimate sea levels rose 3 inches over the last 100 years.) Al Gore blamed global warming for water losses in Africa’s Lake Chad, despite NASA scientists concluding that local population and grazing factors are the more likely culprits. He inaccurately claimed polar bear extinctions. On October 2, 2007, a British high court ruled that Gore’s movie was riddled with misleading exaggerations and factual errors and should not be shown in public schools without an explicit disclaimer.

Irregardless of what your political persuasion is, one would have to admit that this has become more of a political issue than a scientific issue. But politics moves money and money moves grants. Heightened concerns about global warming improves chances of receiving climate change research money, not only once, but ongoing.

Global warming politics has put \$4 billion per year in a new industry who has a vested interest in keeping global warming theories alive.

Worldwide, 10’s of billions in research are tied to global warming. In order to get your global warming study published and reach the media, you need to model it in such a way that something dramatic happens. If it’s bland, it will never be published.

Global warming politics has caused the IPCC to censor many scientists input and remarks. Fifteen key sections in the IPCC were deleted. Scientists who have come out against global warming have a lot to lose in research funding.

The developing world (Africa, etc.) is coming under intense pressure to cut back on the energy it takes for economic development. For many countries, the negative impact of such policies would be far greater than any change caused by global warming. America has the economic wherewithal to change its energy future by the policy choices it makes. As a nation, we can pour significantly more resources into increasing energy efficiency and changing the mix of fuels that we consume. But, four fundamental realities underline the choices:

1.) The American economy relies overwhelmingly on fossil fuel energy. Coal, oil, and natural gas make up 85% of today’s energy usage, and it will take many years to significantly change that mix.

2.) These fuels are dominant for good reason; they are the most economical, and it is to the country’s advantage to obtain it’s energy as inexpensively as possible. The less we spend to obtain the energy we need, the more we can devote to the many other things we want.

3.) Future economic growth will require yet more energy than is utilized today, and the more cheaply we can obtain the additional energy, the better off we will be.

4.) Policy choices are not free. The more resources we devote to policies aimed at significantly changing our energy mix, the fewer resources that are available for other priorities.

*Global warming politics has put \$4 billion per year in a new industry who has a vested interest in keeping global warming theories alive.*



## What are our Priorities?

**T**he cost of the 1st round of Kyoto to reduce CO2 emissions to the U.S., Europe, Japan, Canada, Australia and New Zealand in the year 2010 is estimated at 350 billion. With emissions trading, it would be 240 billion. With unrestricted trading, estimates are 150 billion and with global trading, estimates are 75 billion. Through the year 2050, combined costs would exceed 10 trillion on up to 50 trillion dollars, depending on additional Kyoto treaties.

The temperature reductions purchased by these costs are estimated at half of 1 degree Fahrenheit at most. Others argue it would be less than half a degree.

But this is only the 1st round of Kyoto. Estimates are we will need 14 to 30 additional Kyoto agreements, and so the costs grow.

What is the best way to use our resources?

It is estimated that for 200 billion, you could provide clean drinking water and sanitation around the world to those who don't have them.

However, if you spend money on one thing – you can't spend it on another. If we spend hundreds of billions and even trillions to reduce our temperature by a half of a degree, we don't have available money for other things like clean drinking water.

The World Health Organization projects that clean drinking water would prevent 2-3 million premature deaths every year and about half a billion serious illnesses every year.

No one is predicting reducing deaths or illnesses on that scale by reducing future temperatures.

What the world's poor need most is not the expensive cost of reducing future temperatures by a half of one degree. What they need most is economic development which is fueled by affordable and plentiful energy.

That asset of affordable and plentiful energy is something we have taken for granted in this country, and

we are about to give it away.

One third of the world has no electricity and they burn wood and dung. The indoor smoke kills 4 million children a year under the age of 5. Cancer and lung disease are attributed to

this indoor pollution as well. No hot water or refrigeration adds to the undeveloped world's problems.

Africa has coal and oil, yet environmental groups are pushing solar. Using expensive demonstration solar panels at a clinic in Africa give the doctors a choice. They could either use a small refrigerator, or they could unplug the refrigerator and use lights. Solar and wind have good applications, yet they have proven unreliable without backup. If solar is expensive for Americans, it will not make sense for Africans.

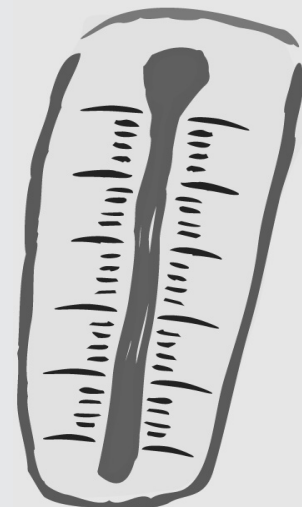
So, what are our priorities? What is the best use of our resources in this country?

*"First of all, I don't think it's within the power of human beings to assure that the climate does not change, as history has shown it changes, and second of all, I guess I would ask which human beings – where and when – are to be accorded the privilege of deciding that this particular climate that we have right here today, right now, is the best climate for all other human beings. I think that's a rather arrogant position for people to take."*

- Michael Griffin, NASA Administrator

## Error in Temperatures

**I**n August of this year (2007), NASA scientists admitted they had been reporting erroneous temperature data since 2000. The error was discovered by Canadian Steven McIntyre. When NASA agreed and reported the correction on their websites, most news agencies chose not to cover the story. The new data undermines the "fear" talking point from environmentalists, which is that six of the 10 hottest years on record have occurred since 1990. Wrong. NASA now says six of the 10 warmest years were in the 1930's and 1940's, which was before the bulk of the industrial CO2 emissions were released into the atmosphere.



GLOBAL WARMING





GLOBAL WARMING

## Cap-And-Trade or Carbon Taxes

**A** report by the Congressional Budget Office (CBO) confirms that cap-and-trade programs transfer wealth from consumers to the lucky holders of carbon credits.

Requiring utilities to produce a specified percentage of their power from non-carbon energy sources also transfers wealth from consumers to politically favored producers.

Some in Washington D.C. want to use a carbon tax on electric rates to FORCE consumers to conserve.

Our response, "Tell that to those

on fixed incomes who are already doing all they can to conserve."

Their response, "We will use some of the money from a carbon tax to help the low income people with their electric bill."

Our response, "Any carbon tax revenue that comes into the U.S. Treasury can not be earmarked to help the poor. Despite the best intentions of this Congress, each succeeding Congress will look at priorities on how to spend taxpayer's money and depending on those future priorities, we expect funding will fluctuate from year to

year and the poor will one day be deciding between food and electricity, or medicine and electricity, if we continue down the carbon tax road we are going down.

The best solution is to keep electricity affordable for all Americans and not over react on the global warming issue.

In 1997, the average U.S. citizen spent 10% of income on energy costs (cars, heating fuels, electricity).

In 2007, the average U.S. citizen is spending 18% of income on energy costs.

## Carbon Trading in Europe

**E**urope has the most comprehensive carbon trading system in the world, and yet carbon emissions have risen in the last two years – even more than emissions have risen in the U.S. This trading scheme is at the expense of consumers and some industries.

Predictably, EU-based companies are threatening to relocate to non-Kyoto nations where they can do business without the burden of carbon caps.

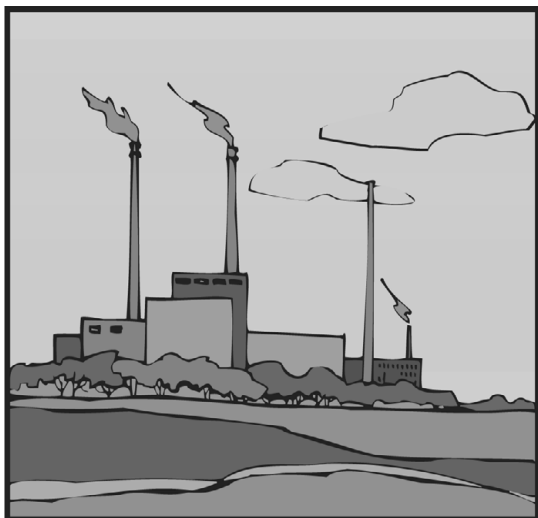
In Germany alone, carbon related energy costs rose by almost 9.2 billion in 2005, a price tag that is expected to climb to 45.5 billion.

This makes EU economies, many of which already are struggling to compete in world markets, less competitive, and encourages even more outsourcing of jobs and businesses to nations without carbon caps.

In July, a survey of large industries showed that 47% of United Kingdom's large companies view carbon trading as a confusing scheme that lacks any real value in carbon emission reduction.



## A Floating Carbon Tax – A Novel Idea



**M**ost politics are considering either a Carbon Tax or Carbon Trading, both of which could substantially raise your electric bills.

Ross McKittrick from Canada's University of Guelph recently proposed a carbon tax that would kick in ONLY if temperatures rose above 1979-1998 averages. This tax would provide incentives for carbon emitters to cut their emissions. However, if temperatures don't go up or only slightly go up, as some scientists predict, electric bills could then remain stable for our nation's poor and middle class. Rather than relying on unreliable modeling (predictions), this proposal relies on actual temperatures – what a novel idea.