

Energy Wars Discourage the Poor

Summer is here, and everyone expects to pay a little more to keep the temperature in the house bearable. But do you expect to pay eight times as much as you have in previous years? Unfortunately, that is exactly what will happen to consumers in some parts of the country unless Congress stands up to the insane regulations on coal put forth by the Environmental Protection Agency.

During the last few years there have been hundreds of families in my denomination who have had trouble keeping basic utility bills paid. In warmer cities, the impoverished elderly routinely run the risk of heat strokes and occasional deaths in the summer. Why would the EPA enact policies that would cause many Americans—already affected by the recession—to go nearly bankrupt paying their utility bills? These problems are avoidable. Poor energy policies affect the poor disproportionately.

Nearly everyone agrees that the environment is important, but most of us also agree that it is not more important than the human beings who live in it. Taking care of your house is important, but you would not stop buying food for your children so that you could replace your windows.

When looking at measures to protect our air, water and other natural resources, we must weigh the cost of those measures against the benefits we can realistically expect. The EPA's new Utility MACT (Maximum Achievable Control Technology) rule is supposed to protect us from mercury emissions, and the agency readily admits it is the most expensive regulation in the EPA's history. Let us start by looking at the projected costs and benefits.

The EPA estimates the new regulations will cost \$10 billion a year, and they estimate the total benefits of mercury emissions that would supposedly be reduced by compliance with the regulation to be between \$500,000 and \$6 million. (Other touted benefits come from reducing particulate matter emissions that are already regulated separately.)

So the EPA is already telling us that it makes sense to pay tens of billions of dollars to save hundreds of thousands of dollars. But it's even worse than that. The estimated cost of the regulation is almost certainly an understatement. For example, a study released last year found that the cost of a particular 1998 regulation known as the Cluster Rule was 34 percent higher than the EPA's original estimates.

The estimated benefits may be even smaller: Mercury emissions circulate globally, and according to the Harvard-Smithsonian Center for Astrophysics, U.S. power plants emit less than 48 tons of mercury per year, compared to 400 tons per year from Chinese power plants (and if you want to include Mother Nature in the mix, we can also mention the 9,000 tons per year that come from volcanoes, sub-sea vents and other natural sources).

Although the Utility MACT rule is not set to take effect until 2015, we have already observed several negative developments in response to these new regulations. First, power companies confirm that the Utility MACT makes it impossible for new coal plants to be built in the United States. Current coal plants are facing closures and are already generating less power, which means higher energy costs for everyone and thousands of lost jobs.

The National Economic Research Associates estimate that the EPA's Utility MACT will cost 180,000 to 215,000 jobs over the next 2 1/2 years. Including manufacturing jobs affected by coal regulations, job losses could top 1.4 million! Although the EPA touts a few hundred jobs created by this rule, most of those jobs would be temporary manufacturing jobs, and the

total number would not come close to compensating for jobs lost. In an already struggling economy, the regulation seems almost suicidal.

As I have written for years, hikes in energy prices disproportionately hurt the poor and working class. It may irritate the wealthy to pay extra to keep their summer homes cool and their winter homes warm, but it will devastate those who already pay between 20 and 35 percent of the income just to keep the lights on. The EPA's latest assault on coal-fired power plants and coal-fueled manufacturing merely illustrates that they are happy to force poor Americans into a Stone Age lifestyle for the possibility of a miniscule improvement in air quality. The only thing standing between us and this astronomical spike in energy costs is our legislators.

We can have both clean air *and* affordable energy, but only if the EPA is willing to face the realities about the limits and costs of regulations. It's time that we call a truce in the energy war on the poor!

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