

North Dallas Chamber Energy Forum

December 9, 2009

Commissioner Donna L. Nelson
Public Utility Commission of Texas

Variable Rate Retail Products

Wire Co.	Price	REP	2001 Reg'd Rate	Change
AEPC	8.9	Texas Power	9.6	-7%
AEPN	8.5	Bounce	10.0	-15%
TNMP	8.5	Dynowatt	10.6	-20%
Centerpoint	8.8	Dynowatt	10.4	-15%
Oncor	8.1	Dynowatt	9.7	-16%

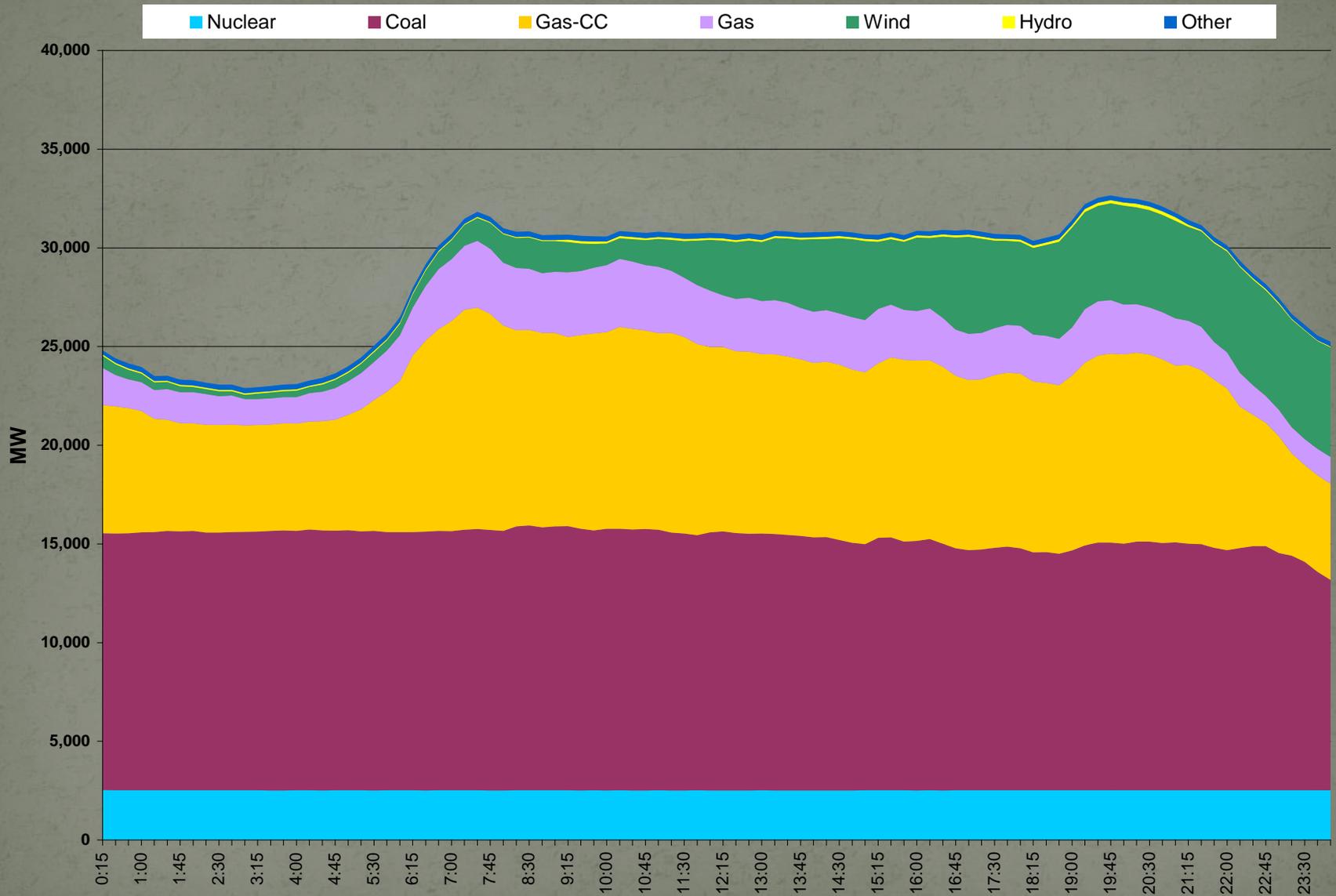
As of 12/01/09

Fixed Rate Retail Products

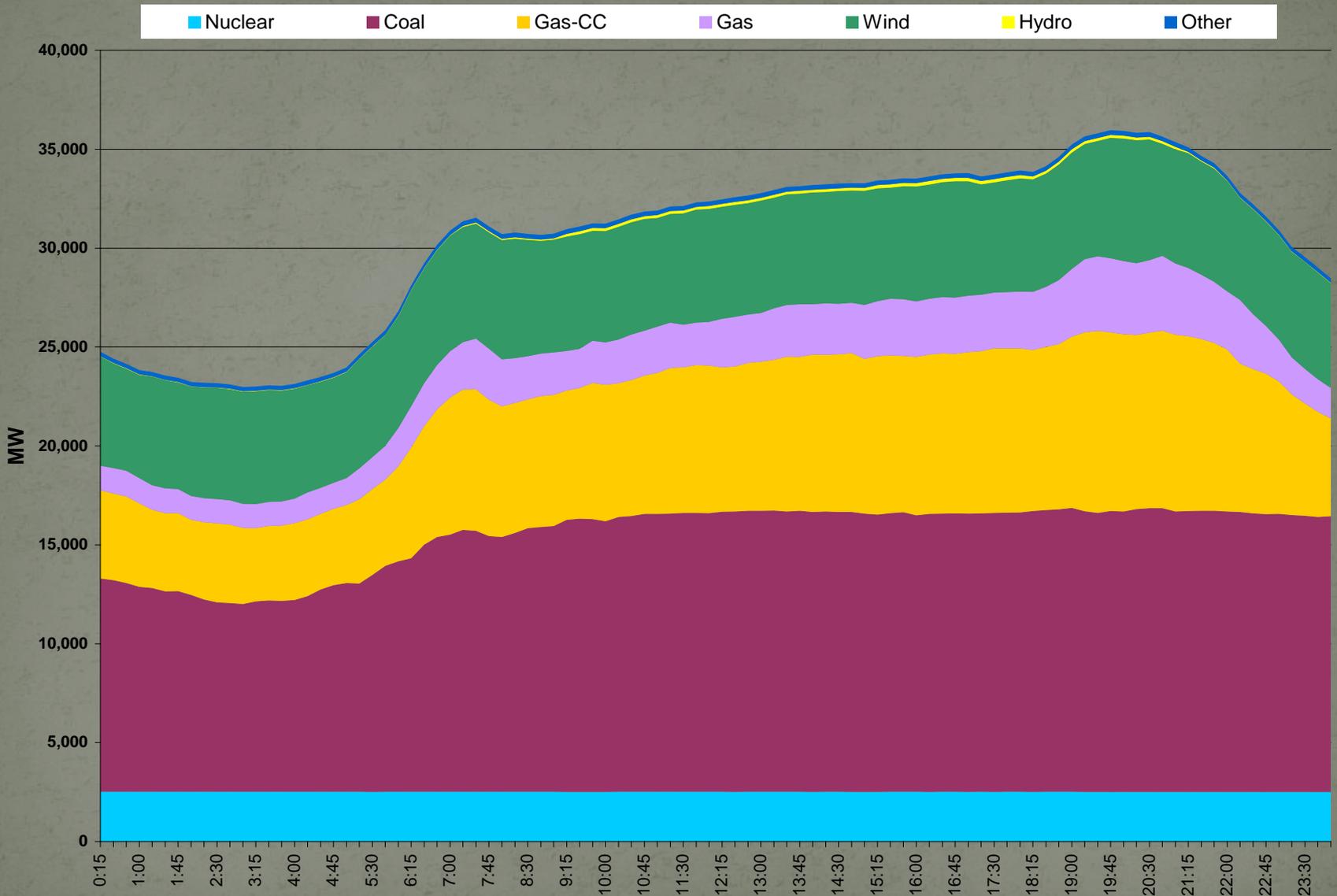
Wire Co.	Price	Term	REP	2001 Reg'd Rate	Change
AEPC	9.3	3 mo.	YEP	9.6	-3%
AEPN	8.9	3 mo.	APNA Energy	10.0	-11%
TNMP	9.1	3 mo.	Texas Power	10.6	-14.5%
Centerpoint	9.1	3 mo.	Spark	10.4	-12.5%
Oncor	8.7	3 mo.	Southwest P&L	9.7	-10%

As of 12/01/09

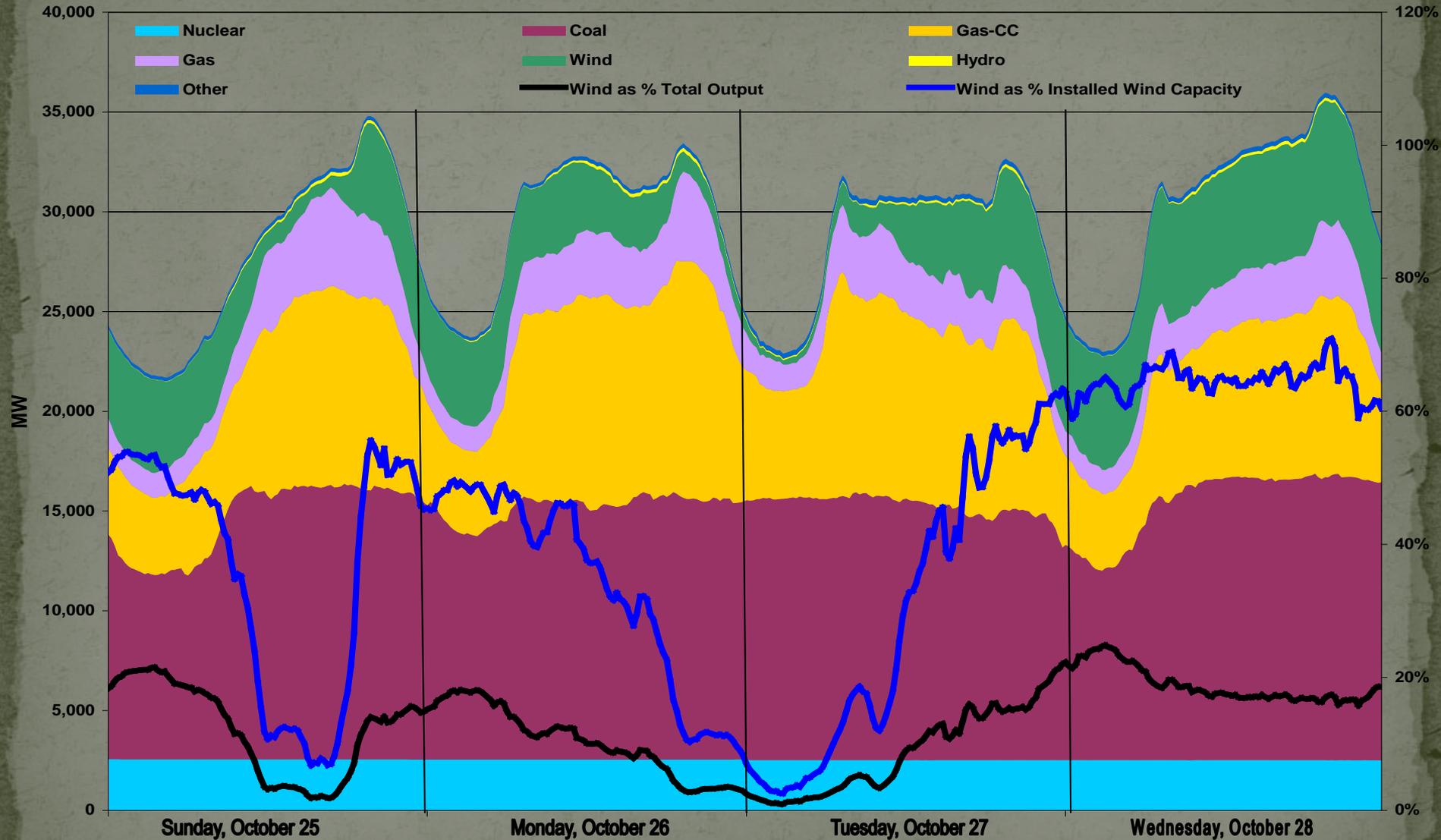
Load Shape by Fuel – October 27, 2009



Load Shape by Fuel – October 28, 2009

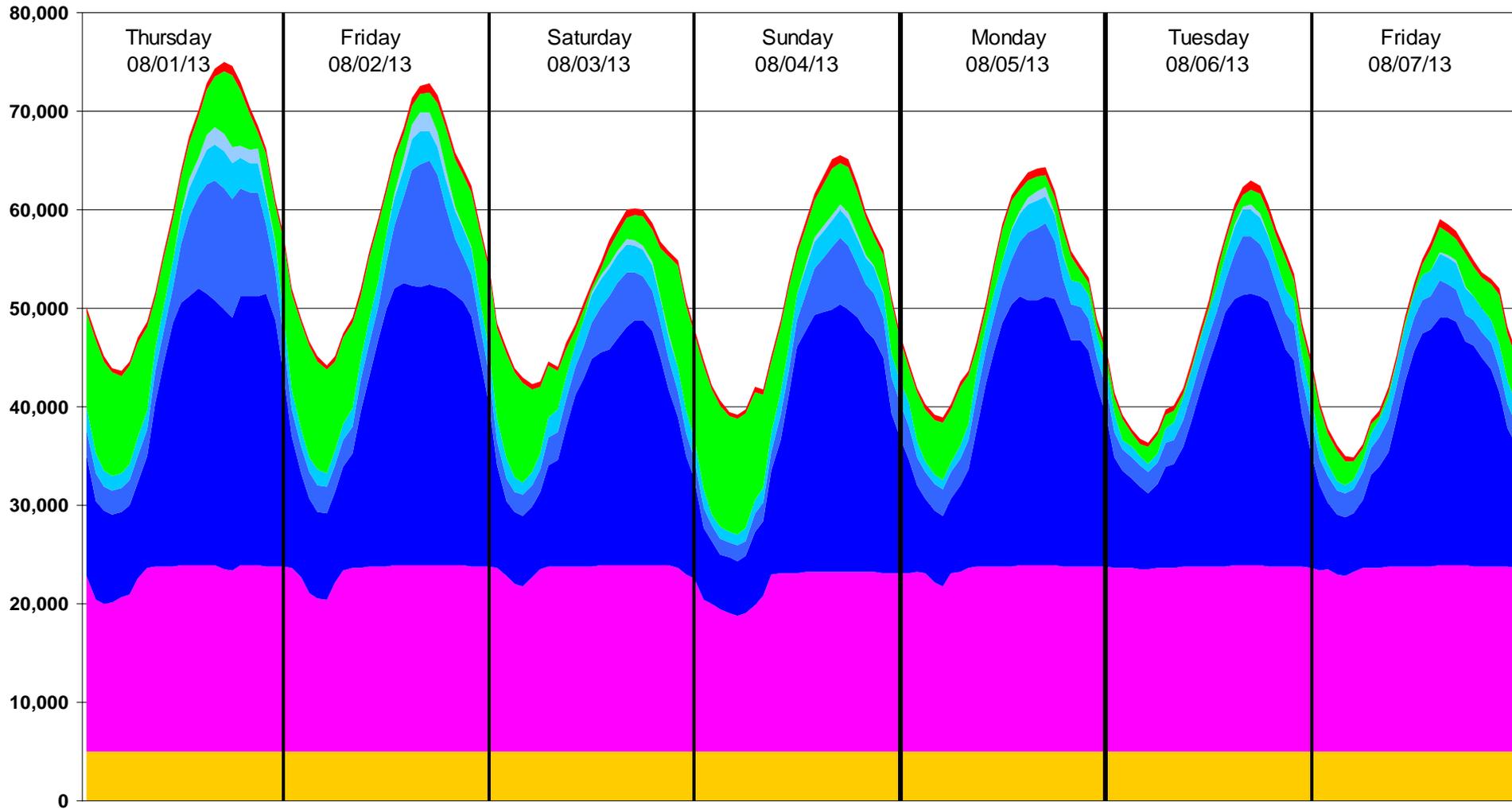


Load Shape by Fuel – October 25 - 28, 2009

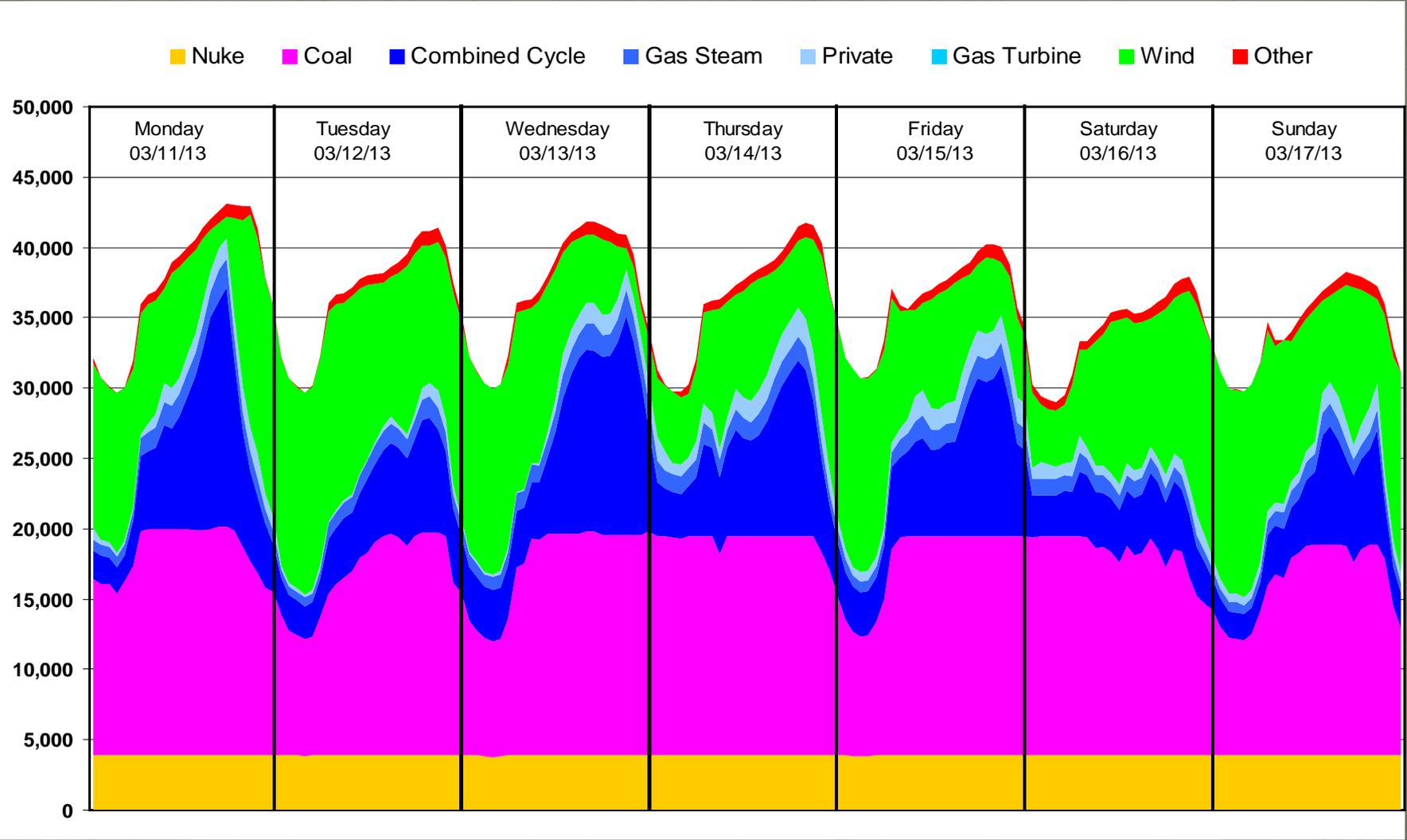


Wind Integration – Peak Load Week

■ Nuke ■ Coal ■ Combined Cycle ■ Gas Steam ■ Private ■ Gas Turbine ■ Wind ■ Other



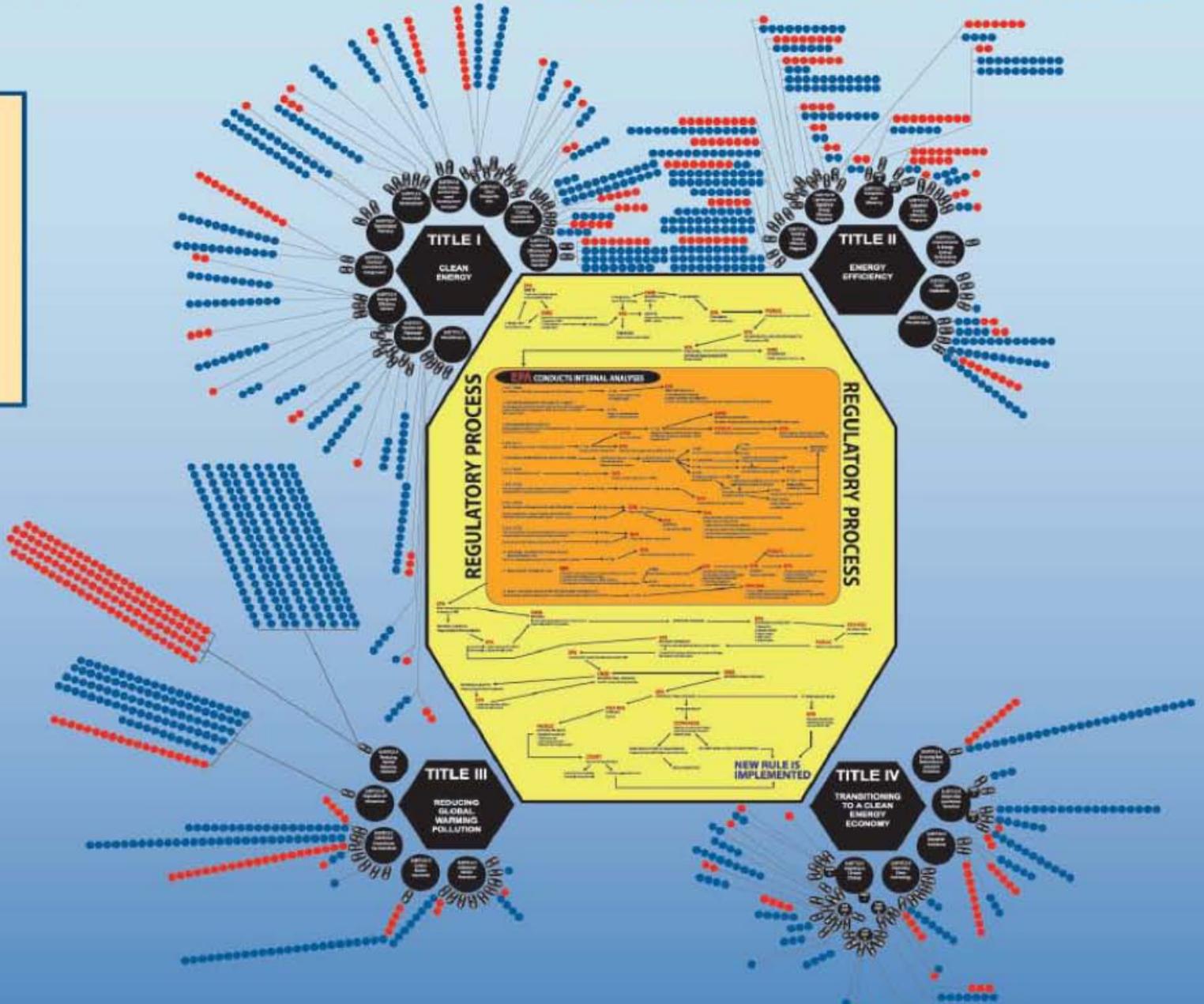
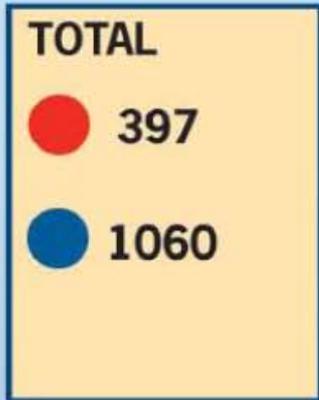
Wind Integration – High Wind Week



Source: ERCOT

AMERICAN CLEAN ENERGY AND SECURITY ACT OF 2009 (H.R. 2454)

REGULATIONS & MANDATES



Cost of Waxman-Markey

- Actual cost estimates range from low of cost of postage stamp per day to over \$3,000 per household
- Cost estimates do not include loss of jobs or reduction in GDP resulting from enactment
- CBO and Joint Committee on Taxation estimate that over ten year period this legislation would increase direct federal spending by ~\$821 billion and increase federal revenue by ~\$846 billion.

Cost of Waxman-Markey

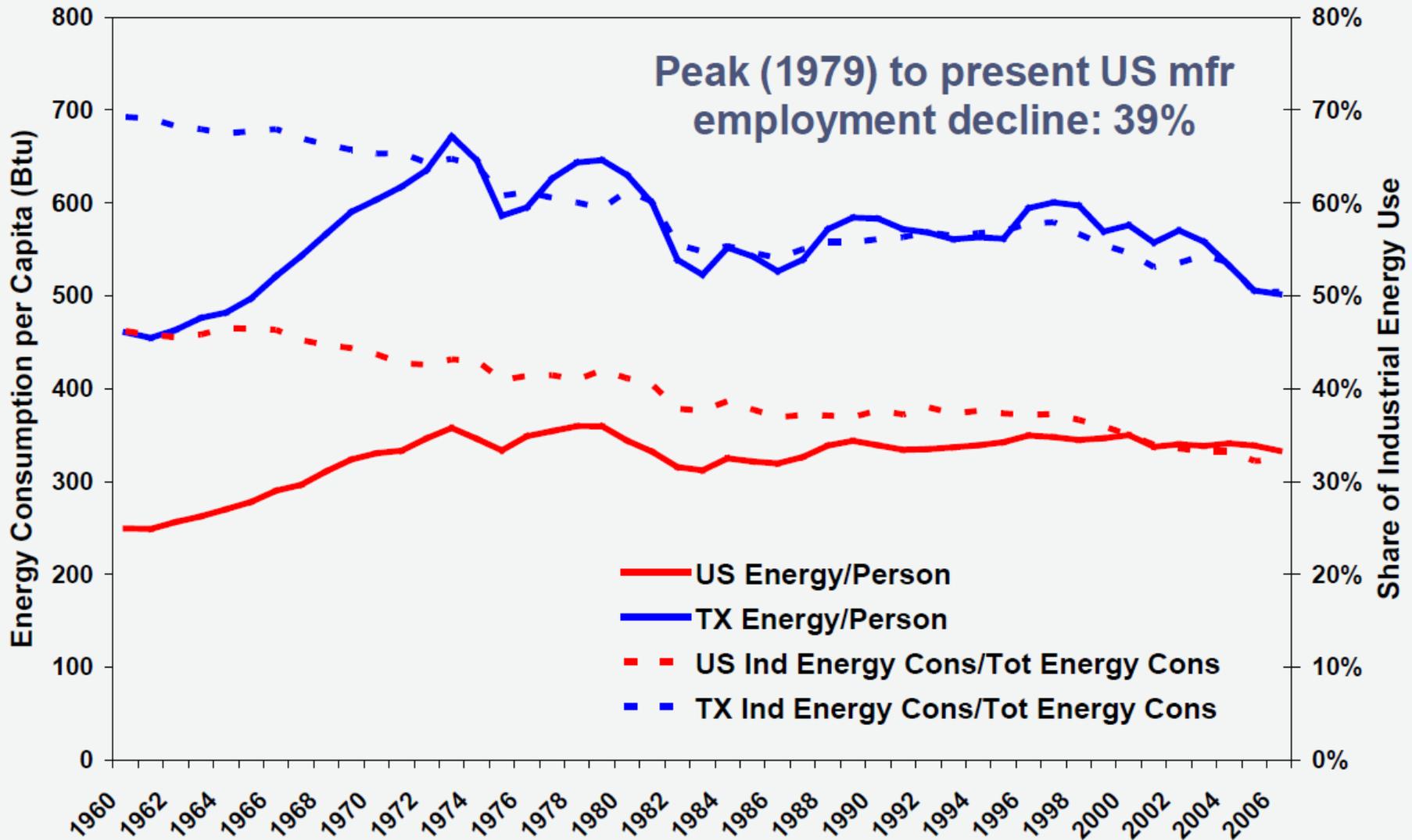
- Gasoline prices ↑58%
- Average household electric rates
↑90 percent

Cost of Waxman-Markey

From Heritage Foundation (Macro impacts 2012-2035):

- \$9.4 trillion lost GDP
- \$5.7 trillion additional taxes
- 2.5 million lost jobs
- Manufacturing: -1.4 million jobs in 2035

Texas Has Energy Intensive Industries



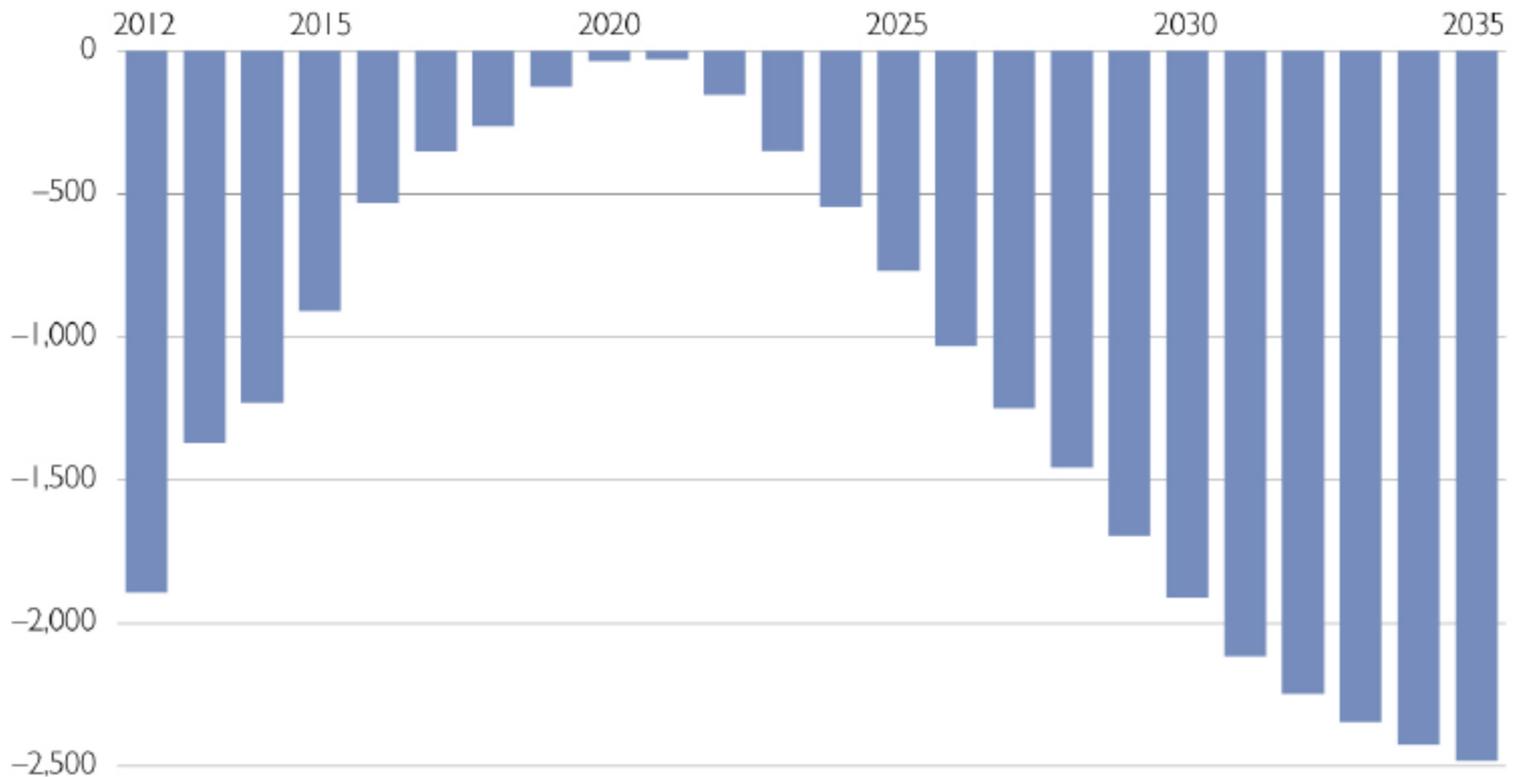
Cost of Waxman-Markey to Texans

From Heritage Foundation (Macro
impacts 2012-2035):

- Lower gross state product by \$26.128 million
- Reduce personal income by \$9.187 million
- Almost 100,000 lost jobs

How Waxman-Markey Would Affect Employment

Annual Change in Employment Due to Waxman-Markey Climate Change Bill, in Thousands of Jobs



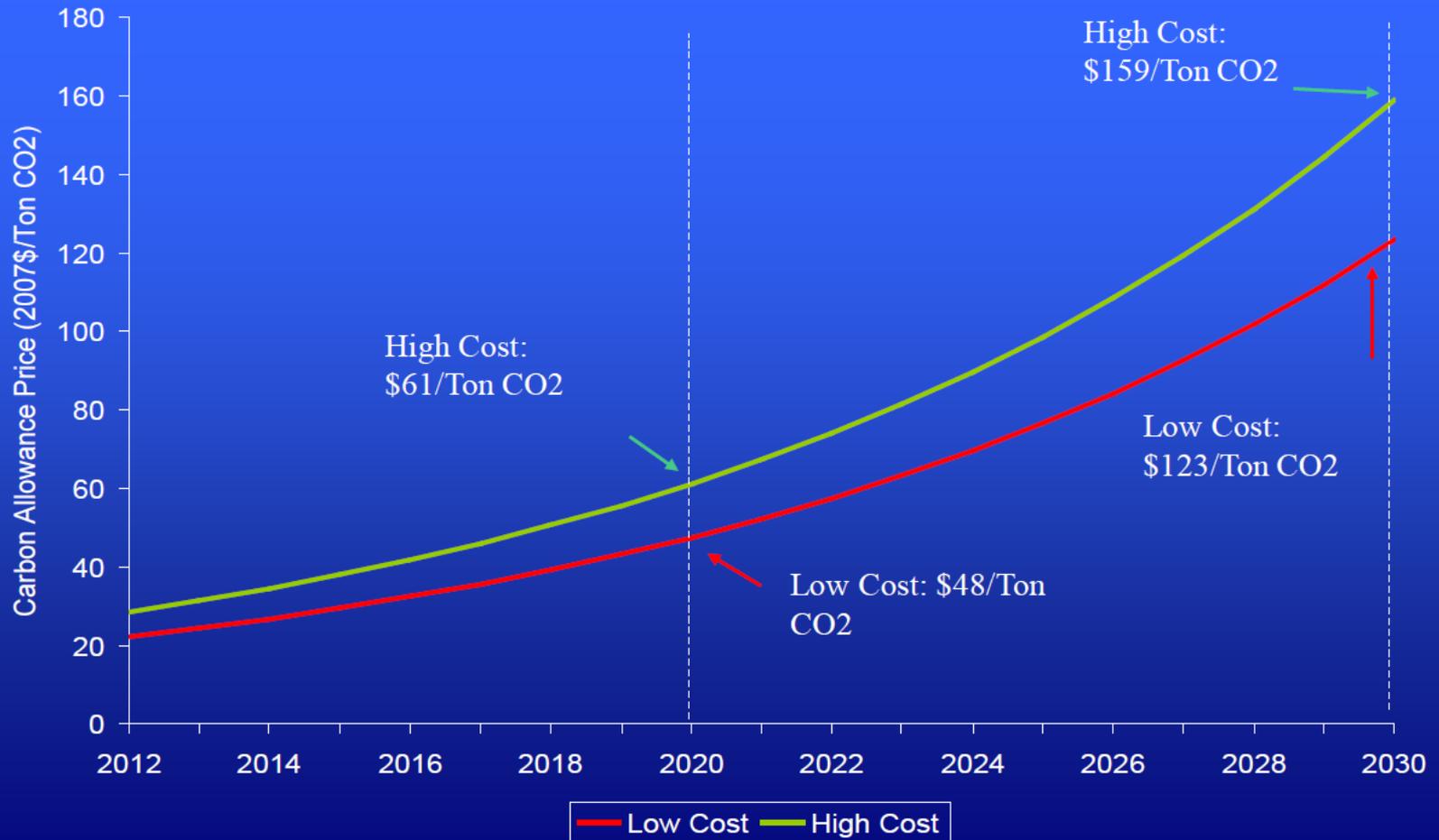
Source: Heritage Foundation calculations based on the IHS/Global Insight U.S. Macroeconomic Model.

Energy & Environment  [heritage.org](https://www.heritage.org)

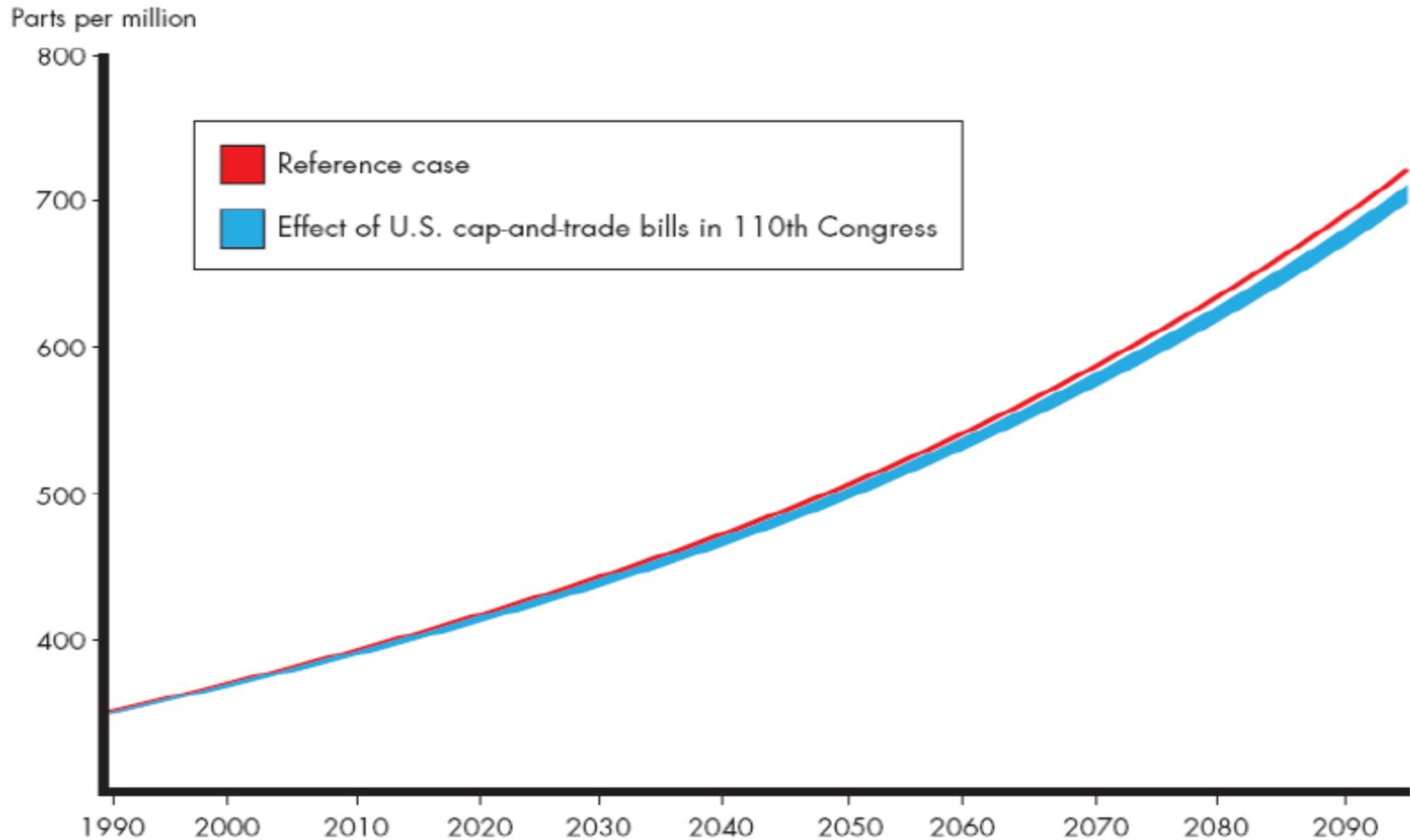
ACESA acknowledges job losses

- *Includes new program: “Climate Change Worker Adjustment Assistance” :*
 - 3 years of unemployment pay;
 - 80 percent of health care premiums;
 - \$1,500 to look for a new job and another \$1,500 to relocate for a new job;
 - “Additional employment services” like skills assessment, job counseling, and training.
- **The bill provides no support for those who are forced to close their small businesses.**

Macroeconomic Impact of Waxman Markey Bill: Carbon Allowance Price (2007\$/Ton CO₂)

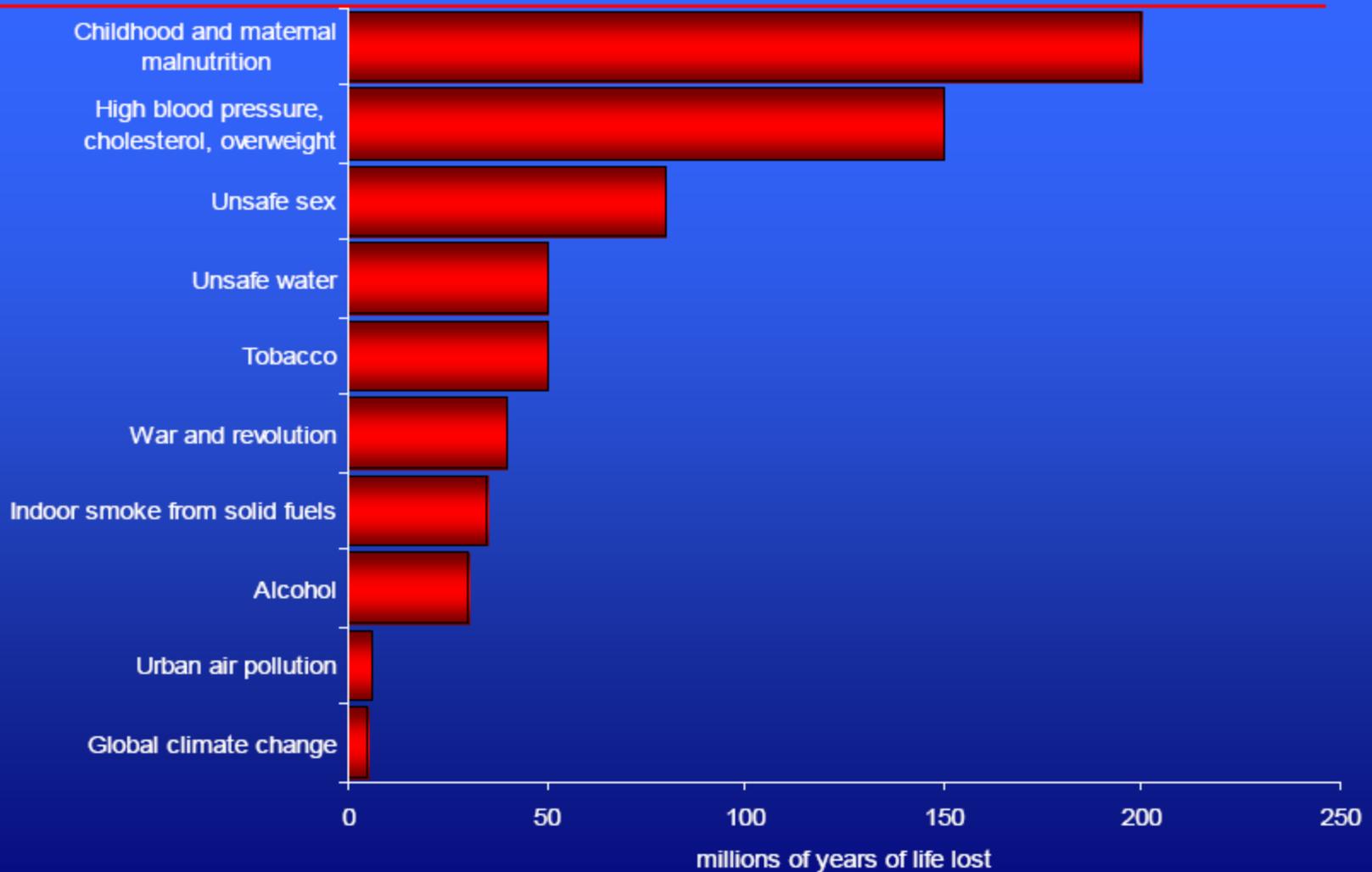


Global CO2 Concentrations: Carbon emissions are projected to rise over the next several decades



Source: American Council for Capital Formation, Dr. Margo Thorning

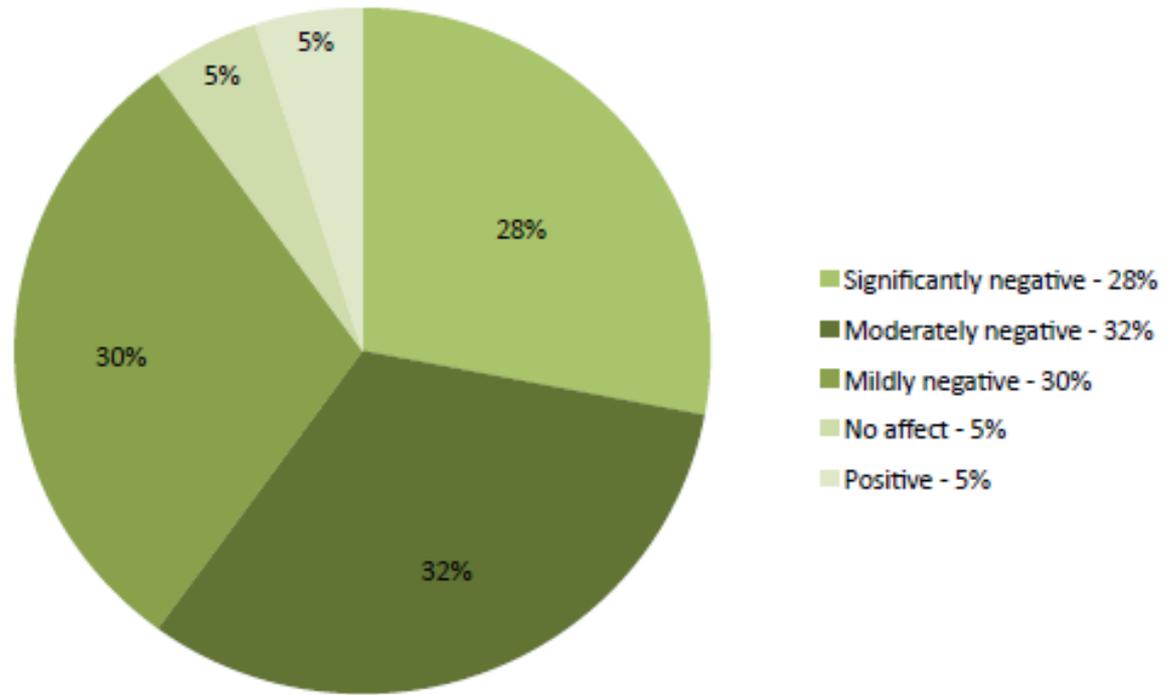
Contributors to Global Mortality in 2000: Putting Climate Change in Perspective



Source: John P. Holdren, "Science and Technology for Sustainable Well-Being," Science, May 2009.

How Energy Prices Affect Small Business

1. What has been the affect on your business of rising and/or volatile energy prices?



How will Waxman Markey affect farmers?

- In Texas, agriculture contributes 9.5 percent of our GSP
- Proponents analysis: total farm expenses would increase by \$700 million each year
- American Farm Bureau: legislation will cost U.S. farmers ~\$5 billion in income each year by 2020, and ~\$13 billion annually by 2030.

Questions?