COMMITTEE REPORT

May 13, 2009

**S. 802**

Introduced by Senators Alexander, McConnell, Rankin, Campbell, Grooms, Verdin, O’Dell and Hutto

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Read the first time May 7, 2009.

**THE COMMITTEE ON**

**AGRICULTURE AND NATURAL RESOURCES**

To whom was referred a Senate Resolution (S. 802) memorializing the United States Congress to fully examine and take into account each state’s current and projected energy production capabilities and current economic conditions, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

DANIEL B. VERDIN III for Committee.

**A** **SENATE RESOLUTION**

MEMORIALIZING THE UNITED STATES CONGRESS TO FULLY EXAMINE AND TAKE INTO ACCOUNT EACH STATE’S CURRENT AND PROJECTED ENERGY PRODUCTION CAPABILITIES AND CURRENT ECONOMIC CONDITIONS WHEN CONSIDERING ANY GREENHOUSE GAS EMISSION INITIATIVES AND TO SAFEGUARD JOBS AND AFFORDABLE ENERGY WHEN CONSIDERING GREENHOUSE GAS EMISSION INITIATIVES.

Whereas, it appears inevitable that the United States Congress will act to adopt some form of tax, cap, or allowance on greenhouse gas emissions in the near future; and

Whereas, while the contours of a federal cap‑and‑trade program remain undefined, the impact of a program that applies tariffs to greenhouse emissions without the benefit of any baseline allowances would undoubtedly be costly; and

Whereas, unless properly planned and implemented, federal mandates restricting greenhouse gas emissions will carry a very heavy price tag — of which South Carolinians may be asked to shoulder an unfair burden; and

Whereas, the average monthly usage of electricity by South Carolina households combined with the current level of reliance on carbon emitting fuels, coal and natural gas, by the state’s electric power generating companies would result in significant costs to be borne by South Carolinians; and

Whereas, our State currently relies on coal for the generation of 61% of its electricity. An additional 3l% of this state’s electricity comes from nuclear generation facilities with the remainder coming from a mix of natural gas and hydro, and a very small amount from renewable resources; and

Whereas, after a thorough review of the electric generation and demographic data provided to the State Regulation of Public Utility Review Committee, it is evident that South Carolina cannot conserve its way out of this situation; and

Whereas, South Carolina does not possess a wealth of renewable energy sources such as the solar energy available to states in the Desert Southwest, the wind turbine generation available to states located in the Great Plains, or the hydro generation in the Pacific Northwest; and

Whereas, we must seek to encourage the growth of research and development in the use of renewable resources that are available and economically viable in South Carolina to provide for our future needs. For at least the immediate future, we must rely on the growth of the nuclear energy industry in this State to ensure that reliable, affordable electricity is available to all of our citizens; and

Whereas, South Carolina accounts for only 0.24% of total global greenhouse gas emissions; and

Whereas, any system to regulate greenhouse gas emissions must not eliminate American jobs and diminish the ability of American industry to compete in the global marketplace; and

Whereas, any system to regulate greenhouse gas emissions must not add to the already high costs of power and gasoline; and

Whereas, any system to regulate greenhouse gas emissions must reward, and not punish, early adopters of energy efficient technologies and practice; and

Whereas, any system to regulate greenhouse gas emissions must adopt an international component to prevent “emissions leakage” and ensure that emissions do not simply migrate to another state or nation; and

Whereas, the only manner to quantify these emissions is through a domestic and international greenhouse gas emissions registry that is uniform, transparent, and verifiable; and

Whereas, any system to regulate greenhouse gases must ensure that the adopted regime does not result in the off‑shoring of international trade sensitive industries; and

Whereas, South Carolina has lost over 102,000 manufacturing jobs since 1998; and

Whereas, any system to regulate greenhouse gas emissions must ensure the availability of sufficient, affordable energy, including clean energy, before restricting emissions in a manner that could reduce the volume of energy available to consumers; and

Whereas, any system to regulate greenhouse gas emissions must provide credits or allowances to support operations, such as recycling and other practices, that reduce greenhouse gas emissions; and

Whereas, any action taken should be structured to promote American jobs, save American citizens and industry from higher energy prices, reward early adopters of efficient practices and technologies, prevent “emissions leakage”, and champion the global competitiveness of American industry. Now, therefore,

Be it resolved by the South Carolina Senate:

That the members of the South Carolina Senate request the United States Congress to fully examine and take into account each state’s current and projected energy production capabilities and current economic conditions when considering any greenhouse gas emission initiatives and to safeguard jobs and affordable energy when considering greenhouse gas emission initiatives.

Be it further resolved that a copy of this resolution be forwarded to the United States Senate, the United States House of Representatives, and to each member of the South Carolina Congressional Delegation.

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