

Great Lakes States Metro Chambers Coalition

Energy Policy Position

December 2011 Draft

The Great Lakes States Metro Chambers Coalition Represents Business in Twelve States and two Canadian Provinces. This group of metropolitan chambers of commerce has been developing an agenda for the transformation of the Great Lakes region, based on a new collaboration among federal, state, and local government and the private sector, and emphasizing strategic federal investment in five key areas, including energy, that will help return the region to its historical role as a jobs-creating machine.

Reliable, Competitive Base-load Power is Crucial to Manufacturing

Manufacturing industries require a reliable, competitively priced supply of base-load electricity to be successful in the global economy and to generate wealth in the communities in which they operate. Federal agencies should consider the needs on manufacturing industries when crafting energy policy.

A Portfolio of Energy Sources is Necessary to Meet Demand

An affordable, reliable energy supply is essential to economic growth. The United States has access to a wealth of energy sources, along with innovative energy management, conservation and distribution technologies. Since no one energy source can cost-effectively meet the nation's demand for energy, a portfolio of these energy sources and energy management technologies must be used. Federal policy should support this portfolio approach.

A Shared Agenda for Energy Policy

The United States needs a national energy policy that can sustain economic prosperity and environmental quality. To promote this, the Great Lakes States Metro Chambers Coalition supports the following federal action:

1. Support federal policy that **facilitates robust nuclear electric generation** through loan guarantees, support of small modular reactors and research into alternative waste storage and disposal techniques.

The Great Lakes States Metro Chambers Coalition supports an increase the federal financial support dedicated to new nuclear generation, especially an **expansion of the federal loan guarantee program**. The program reduces the cost of capital by allowing companies to take on a more highly leveraged capital structure. The Department of Energy is reviewing loan guarantee applications from a number of nuclear projects, but applications already outstrip the available loan volume, and additional loan volume is desired by the industry to support the first wave of new construction.

The Great Lakes States Metro Chambers Coalition will support the recommendations of the 'Blue Ribbon Commission on America's Nuclear Future' draft report released July 2011, which aim to provide **clear policy on the management, storage and disposal of used nuclear fuel**.

These include:

- Amending the Nuclear Waste Policy Act to establish a consent based process to site a new consolidated storage and disposal facility in the future;
- Modifying the Nuclear Waste Policy Act to allow for multiple storage facilities with adequate capacity to be sited, licensed, and constructed when needed;
- Establishing a new waste management organization;
- Ensuring access to dedicated funding for the nuclear waste program; and
- Promoting international engagement to support safe and secure waste management.

To build on the strength of U.S. manufacturing and promote base-load electricity generation, federal policy should **support the implementation of small modular reactors** that use U.S. sourced technology and materials through timely and effective permitting.

2. Support federal policy that **encourages the development of clean coal** as a cost-effective source of electricity.

As the nation's leading source of electricity, continued use of coal is essential and must be regulated by **practical approaches that use sound science and judgment as the basis for new requirements** to avoid major economic disruptions.

Policies issued by the EPA must be shown to be technologically attainable, not overly burdensome on recovering manufacturers, and not disrupt or all-together shut down companies. For example, new rules on coal combustion residuals would not only impose increased costs on manufacturers, they would negatively impact the nearly 2,000 companies that beneficially reuse coal ash. The Coalition supports promoting the beneficial reuse of coal ash.

Regulation must be constructed in a manner to avoid regulatory overreach. The EPA should limit regulations to those it has been specifically charged with by legislative authority. Future EPA actions, such as greenhouse gas regulation, must avoid unnecessary and costly legal challenges while maintaining the region's competitiveness in a global manufacturing economy.

3. Support environmental regulations that **do not unreasonably inhibit natural gas development** while preserving the health and safety of American citizens, communities and the environment.

As the cleanest burning of all fossil fuels, the increased use of natural gas can reduce air emissions, reduce environmental impact, and all together eliminate some waste streams. **States experiencing an increase in natural gas production have been regulating the industry successfully for decades**, including the use of hydraulic fracturing of shale gas formations. Because state regulatory agencies understand local and regional geological conditions, they are in the best position to protect the environment. EPA regulatory overreach in the natural gas industry may **unnecessarily impede development**.

4. Encourage federal **investment in energy related research and development** programs through federal research laboratories and public-private partnerships through the Department of Energy to broaden the country's portfolio of energy assets.

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Continued investment in research, such as the Clean Coal Power Initiative and Innovations for Existing Power Plants Program, will ensure an economical, environmental, and reliable supply of energy to meet growing demand.

5. Ensure the **long term reliability of electricity transmission and distribution systems** by making maintenance of the grid a federal priority.

The Federal Energy Regulatory Commission's mandate to assist in the reliable, efficient and sustainable delivery of energy to consumers must be supported through federal policy. Investment in implementation programs, for example around a smart power grid, will support the development of cost-effective management and delivery of energy, and facilitate the use of a broader portfolio of electric sources.