

\_\_\_\_\_, 2009

Senator Richard Lugar  
306 Hart Senate Office Building  
Washington, D.C. 20510-1401

Dear Senator Lugar:

As a resident of Indiana, I am concerned about climate change legislation that is being considered by Congress. A cap and trade program similar to what was passed by the House of Representatives in H.R. 2454 will have a devastating impact on the State of Indiana's ratepayers. As the Senate considers climate change legislation, I want you to be aware of my concerns.

I understand that climate change and global warming are important issues and that Congress intends to address them this year in some form. H.R. 2454 does many good things to address these issues. However, the part of the bill that deals with the distribution of emission allowances causes Indiana to be one of the hardest hit states in the country because we get most of our electricity from coal.

It is my understanding that H.R. 2454 would distribute some emission allowances at no cost to electric utilities beginning in 2012, while still auctioning others. However, too many allowances are being given away to entities with non-carbon resources, such as nuclear and hydro, found in places like Washington State, Oregon, California and New York. Here in Indiana, where coal is the major resource used to generate electricity, our utilities will not get enough allowances to cover their emissions and will have to go out and buy them at an additional cost to us, the ratepayers. Basically, we will be subsidizing customers on the East and West Coasts.

My community is a public power community, meaning that it owns its municipal electric utility. With a not-for-profit utility, my community has some of the lowest electric rates in Indiana. We are already experiencing increased fuel and other costs, and additional electric rate increases will have a devastating effect. Not only am I worried about myself and my neighbors, but I am also very concerned about the businesses and industries in my community. We have already lost a significant number of jobs and we are afraid of losing more if Congress forces a climate change policy on us that punishes Indiana because we rely on coal for electricity.

I urge you to vote for a policy that emphasizes affordable electricity for consumers. While everyone's situation is different – some people are on fixed incomes, others have harsh financial situations due to the downturn in the economy – all of us want an affordable electric bill. I hope you will vote to protect our municipal electric utility and our citizens against an unfair cap and trade system that creates a financial burden on Hoosier ratepayers. Not only would this prevent immediate cost increases to consumers, it would help protect the economic viability of Indiana as well.

Sincerely,

X \_\_\_\_\_

Community: \_\_\_\_\_