

Legislative Awareness Update



December Update

On The Hill:

Recently, the [Environmental Protection Agency](#) (EPA) began citing the Clean Air Act of 1970 in an attempt to regulate CO2 emissions. The EPA's actions could significantly impact the cost of generating power in the United States. According to the [Department of Energy](#), nearly 68 percent of U.S. electricity is generated by coal and natural gas powered plants, which means the majority of American household budgets could be affected by misguided regulation. Climate change issues are not only local and national—they are global.

A federal appeals court has denied petitions from some states, including Texas, and industry allies to block nationwide rules on green house gas emissions scheduled to start this month. States, industry allies and free-market groups are suing the EPA over its attempt to regulate carbon dioxide from large industrial sources. However, the battle isn't over – the EPA's authority to regulate CO2 could be removed by Congress this session.

Allowing the EPA to make unilateral decisions without balanced deliberation from Congress is unwise. At CoServ, we believe a collaborative approach is required to create a viable, long-term, and reasonable energy policy. It's hard to predict the future, but if we don't act now, government regulation and/or legislation could unnecessarily increase energy costs. Speaking out with strong voices over these tough choices is critical during this year's legislative debate, and we encourage you to make your voice heard. For easy online identification of the legislators who represent you, visit [Our Energy, Our Future](#). This site also provides a quick way of communicating with your legislators online and rallying them to speak up about rising energy costs driven from legislation, regulation or both. Let your voice be heard and join us in rallying legislators for fair, affordable, and achievable electricity.

In Austin:

The 82nd session of the Texas Legislature kicks off the first week of January with the usual fanfare. As prescribed by the Texas Constitution, the regular session of the Legislature will last 140 days. It promises to be anything but a normal session.

Legislators are facing a daunting task, with Texas Comptroller Susan Combs announcing that the Legislature should have \$72.2 billion in general revenue available for the next two years. Combs did not provide an estimate on how much lawmakers would need to spend to maintain current services, but estimates on the deficit are running from \$20

billion to \$26 billion. She is expected to comment soon on the actual deficit as estimated by her agency. Such a huge shortfall, unprecedented in Texas history, leaves legislators with few options: Cut spending, shift costs to local governments or to the private sector, raise taxes, find other revenue, and/or use the state's Rainy Day Fund (estimated at \$8 billion).

The Legislature has a number of items on their "to do" list including redistricting—drawing new maps for seats in the Legislature, Congress, and the State Board of Education based on new census figures. They must also consider sunset legislation for some of the largest and most important agencies in state government: TxDOT, Texas Commission on Environmental Quality, Texas Department of Insurance, PUC, the Railroad Commission, and others. State lawmakers could also consider immigration and border security legislation, along with a voter ID bill. All of these tasks combined with a very public challenge to sitting Speaker of the House Joe Straus and a Tea Party Rally today, it looks like this will not be a boring session.