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Cap & trade proposals in Congress

- "Cap & trade" means there would be a limit, or cap, on the amount of carbon emission each power plant is allowed to produce without purchasing additional allowances.
- Utilities that are under their cap could sell or trade carbon allowances to utilities that are over their limit.
- Some proposals would allow Wall Street to set up a speculators market for trading carbon allowances.
- Cap & trade will raise rates.
- A big question is how the initial allowances are allocated among utilities. Will they have to buy 100% of the allowances they need?
- Who gets the money from the allowance trading? Wall Street speculators? New energy technology and renewables? Or will it be used to fund other government programs?

Key facts

- Nebraska gets most of its electricity from coal generation resources (over 60%), as do most midwestern states.
- If not fairly written, cap & trade laws could amount to a huge transfer of money from the midwest to the coastal states through the allocation and trading of allowances.
- Visit www.NREA.org for more info.