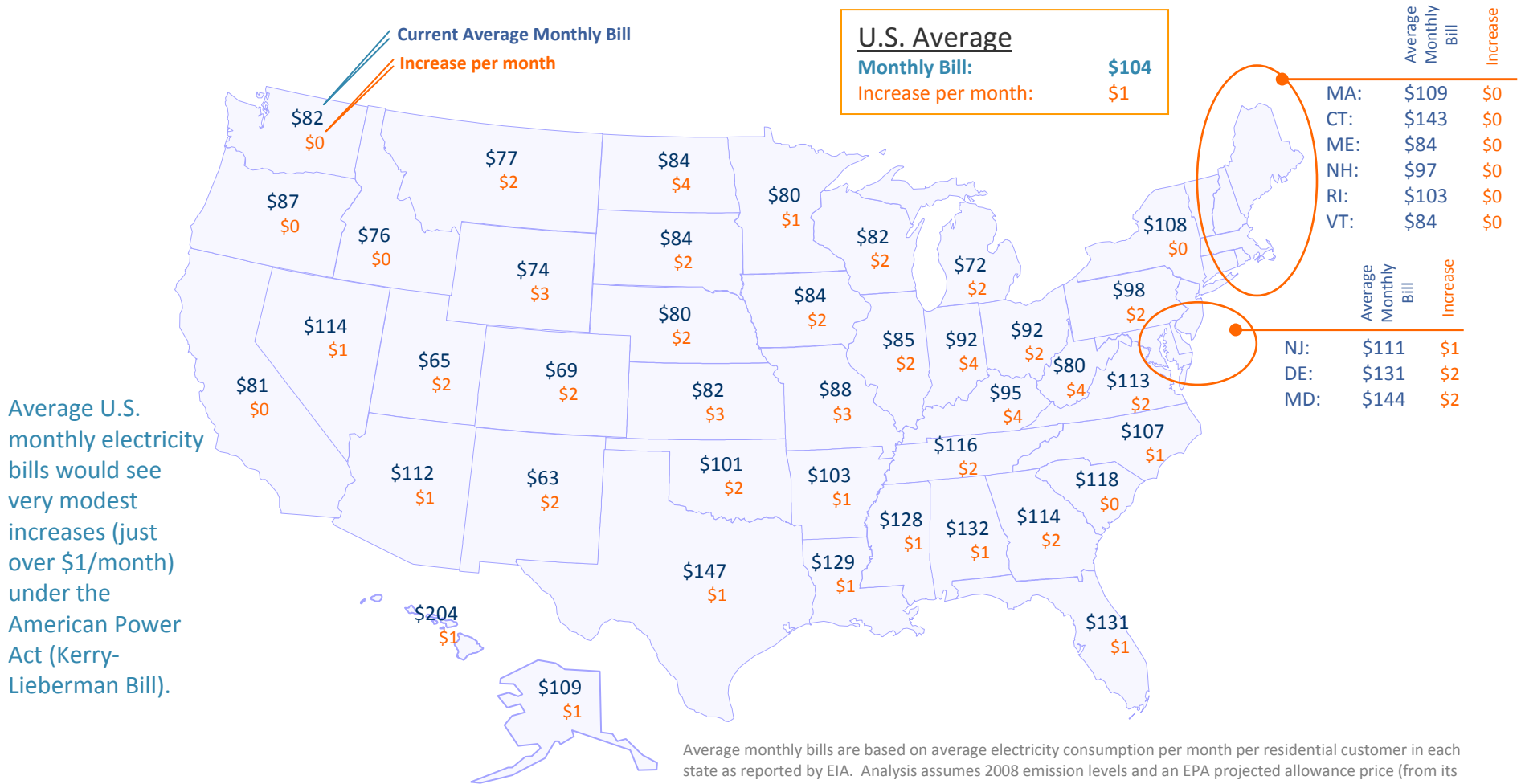


2013

With EPA
Projected
Allowance Price of
\$18/metric ton

American Power Act: Impact on U.S. Residential Electricity Bills

Assuming EPA Projected Allowance Price of \$18/metric ton and 75/25 Allocation Formula for Electric Local Distribution Companies



Average monthly bills are based on average electricity consumption per month per residential customer in each state as reported by EIA. Analysis assumes 2008 emission levels and an EPA projected allowance price (from its economic analysis of the American Power Act released on June 15, 2010) of \$18/metric ton. Costs estimates are based on current emissions levels. All dollar values are in 2009\$. No dynamic response is assumed (e.g., demand reduction or fuel switching to lower carbon fuels).

This analysis models a prohibition against excess allocation at the state level. Some individual LDCs with very low emission rates serving in high-emitting states may also be subject to this clause.

Sources: EIA, EPA, MJB&A Analysis