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The following comments by R Street Policy Analyst Lori Sanders were delivered at the Environmental Protection Agency's Nov. 7 public listening session on regulation of carbon emissions from existing power plants.

I'm Lori Sanders, and on behalf of the R Street Institute, a free-market think tank headquartered in Washington, D.C., I'd like to thank you for the opportunity to speak on the record today regarding our concerns with the forthcoming EPA regulations on power plants and industrial sources of greenhouse gas emissions like carbon dioxide.

The president has outlined an expensive and complex scheme for EPA to regulate greenhouse gas emissions from existing power plants. This policy is likely to cause serious disruptions to electricity generation and to the economy as a whole. Earlier executive action had already applied stricter standards for building new electricity generation facilities, effectively making it impossible to build coal-fired power plants due to their high concentrations of carbon dioxide emissions.

But applying the heavy hand of the EPA to existing facilities is poised to be a game changer. A centralized, command-and-control regulatory scheme is likely to be extremely expensive, unevenly applied, and opaque for businesses and consumers. The result will be large deadweight losses associated with compliance for what are ultimately relatively small reductions in global carbon dioxide emissions.

In fact, it seems highly likely that this strategy will leave the U.S. *less* able to deal with the consequences of climate change in the future, as it will have little effect on global temperatures while having substantial negative impacts on our economic vitality. We strongly believe that the best defense against a changing climate is to have a wealthy and prosperous society that can afford to deal with its effects.

To be clear, we at the R Street Institute recognize the scientific consensus on climate change and are well aware of the negative impacts that it might hold for the United States. That is why we have been actively engaged in trying to offer solutions that will allow our nation to protect against these effects without unduly empowering government or harming our economy.

First and foremost, the federal government should stop encouraging behavior that exacerbates negative climate impacts. For example, our National Flood Insurance Program has spent billions subsidizing policies for people living on the coast, putting them at risk should sea levels rise substantially and placing them in the path of natural disasters.

Second, Congress and the administration should work to craft a market-based alternative to this regulatory scheme that relies on a price signal for carbon dioxide in the context of revenue-neutral tax reform. Such a plan could provide an economically-efficient alternative to EPA dictates that could address emissions without growing government.

Thank you.