

**TESTIMONY OF PAUL N. CICIO
PRESIDENT
INDUSTRIAL ENERGY CONSUMERS OF AMERICA**

SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

**SUBCOMMITTEE ON PRIVATE SECTOR AND CONSUMER SOLUTIONS TO
GLOBAL WARMING AND WILDLIFE PROTECTION**

OCTOBER 24, 2007

**“A HEARING TO EXAMINE
AMERICA’S CLIMATE SECURITY ACT OF 2007”**

INDEX

Five Key Points _____	2
Sound Climate Policy _____	3
Background on IECA _____	6
Position on Cap and Trade Policy _____	6
Background on the Industrial Sector _____	6
Recommendations on Climate Policy _____	7
Natural Gas Supply is Fragile _____	8
Energy Intensive Products are Integral to Economic Growth _____	9
Industrial Products Provide Solutions to Reducing GHGs _____	10
EU Emissions Trading System: Increased Prices 76% _____	10
Decoupling Will Not Promote Industrial Energy Efficiency _____	12
Five Elements Crucial for Coal to Remain Viable _____	13

Data Tables:

Energy Price Sensitive Industries _____	15
Manufacturing Job Losses _____	16
Global Natural Gas Prices _____	16
U.S. Natural Gas Prices 2000-2006 _____	17
New Electric Generating Capacity By Energy Source 2006-2008 _____	17
Electricity Prices By Sector 2000-2006 _____	18
Existing Electric Generating Capacity 2005 by Energy Source _____	18
Natural Gas Production 2000-2006 _____	19
Natural Gas Consumption 2000-2006 _____	19
Natural Gas Power Generation Market Share 2000-2006 _____	20
Carbon Dioxide Emissions By Sector _____	21
Impact of EU ETS On Electricity Price (Gr,Fr,Netherl,Skan,UK) _____	22
Industrial Energy Consumption _____	22
Impact of EU ETS on Electricity Prices in Germany _____	23

Attachments:

- IECA September 25, 2007 Letter: AEP-IBEW Global Reach Problems
- Public Utilities Fortnightly “ Betting on Bad Numbers-Why predictions from the Energy Information Administration may contain systematic errors”, July 2007