

Energy and Economic Impacts of H.R.5049, the Keep America Competitive Global Warming Policy Act

Table 3.1. Summary Economic Results from the Reference and Policy Cases

| Projection | 2004 | 2020 | | | | 2030 | | | |
|---|---------|-------------------|----------|----------|----------|-------------------|----------|----------|----------|
| | | AEO2006 Reference | HR5049 A | HR5049 B | HR5049 C | AEO2006 Reference | HR5049 A | HR5049 B | HR5049 C |
| Allocation of Allowance Revenue (billion nominal dollars) | | | | | | | | | |
| Industries | - | - | 14.2 | 15.7 | 14.2 | - | 20.7 | 25.3 | 20.7 |
| Research & Development | - | - | 17.7 | 19.7 | 17.7 | - | 25.9 | 31.7 | 25.9 |
| Other Countries | - | - | 7.1 | 7.9 | 7.1 | - | 10.4 | 12.7 | 10.4 |
| LIHEAP | - | - | 3.5 | 3.9 | 3.5 | - | 5.2 | 6.3 | 5.2 |
| Transition Assistance | - | - | 0.0 | 0.0 | 0.0 | - | 0.0 | 0.0 | 0.0 |
| U.S. Treasury | - | - | 30.6 | 33.5 | 32.4 | - | 59.2 | 69.9 | 62.5 |
| Total Revenue | - | - | 73.2 | 80.8 | 75.0 | - | 121.4 | 145.9 | 124.7 |
| Aggregate Prices in the Economy | | | | | | | | | |
| WPI - Fuel & Power (1982=1.0) | 1.27 | 1.77 | 1.88 | 1.89 | 1.88 | 2.49 | 2.65 | 2.69 | 2.65 |
| CPI - Energy (1982/84 = 1.0) | 1.51 | 2.19 | 2.28 | 2.29 | 2.28 | 2.96 | 3.10 | 3.13 | 3.10 |
| CPI - All Urban (1982/84 = 1.0) | 1.89 | 2.86 | 2.88 | 2.88 | 2.88 | 3.78 | 3.80 | 3.81 | 3.80 |
| Inflation Rate, Unemployment Rate and the Federal Funds Rate | | | | | | | | | |
| Inflation | 2.68 | 3.06 | 3.10 | 3.11 | 3.10 | 2.67 | 2.66 | 2.65 | 2.65 |
| Unemployment Rate | 5.53 | 4.37 | 4.43 | 4.43 | 4.42 | 4.90 | 4.95 | 4.96 | 4.95 |
| Federal Funds Rate | 1.35 | 5.24 | 5.25 | 5.25 | 5.24 | 5.04 | 4.98 | 4.97 | 4.97 |
| Components of GDP (billion 2000 dollars) | | | | | | | | | |
| GDP | 10,756 | 17,541 | 17,514 | 17,511 | 17,517 | 23,112 | 23,075 | 23,063 | 23,075 |
| Consumption | 7,589 | 11,916 | 11,891 | 11,888 | 11,892 | 15,352 | 15,315 | 15,306 | 15,312 |
| Investment | 1,810 | 3,293 | 3,288 | 3,287 | 3,292 | 4,985 | 4,988 | 4,988 | 4,988 |
| Government | 1,952 | 2,464 | 2,475 | 2,476 | 2,475 | 2,838 | 2,852 | 2,855 | 2,852 |
| Exports | 1,118 | 3,776 | 3,760 | 3,759 | 3,759 | 6,833 | 6,800 | 6,793 | 6,801 |
| Imports | 1,719 | 3,659 | 3,656 | 3,655 | 3,658 | 6,156 | 6,158 | 6,160 | 6,156 |
| Industry Output (billion 2000 dollars) | | | | | | | | | |
| Energy-Intensive Manufacturing | 1,161 | 1,441 | 1,428 | 1,427 | 1,428 | 1,627 | 1,612 | 1,608 | 1,612 |
| Non-Energy-Intensive Manufacturing | 3,044 | 4,528 | 4,504 | 4,501 | 4,503 | 5,882 | 5,848 | 5,840 | 5,849 |
| Non-Manufacturing | 1,439 | 1,808 | 1,802 | 1,802 | 1,805 | 2,069 | 2,064 | 2,063 | 2,065 |
| Services | 17,250 | 28,709 | 28,660 | 28,652 | 28,668 | 39,053 | 39,007 | 38,993 | 39,005 |
| Total | 22,893 | 36,486 | 36,394 | 36,383 | 36,404 | 48,630 | 48,531 | 48,503 | 48,530 |
| Industry Employment (thousand) | | | | | | | | | |
| Energy-Intensive Manufacturing | 2,731 | 2,764 | 2,745 | 2,743 | 2,744 | 2,719 | 2,700 | 2,695 | 2,700 |
| Non-Energy-Intensive Manufacturing | 11,597 | 10,513 | 10,449 | 10,443 | 10,450 | 9,928 | 9,869 | 9,853 | 9,872 |
| Non-Manufacturing | 10,634 | 11,647 | 11,621 | 11,619 | 11,634 | 12,384 | 12,382 | 12,379 | 12,385 |
| Services | 109,593 | 134,054 | 134,059 | 134,057 | 134,090 | 150,970 | 150,954 | 150,935 | 150,949 |
| Total | 134,555 | 158,979 | 158,875 | 158,862 | 158,918 | 176,000 | 175,904 | 175,862 | 175,906 |

Source: National Energy Modeling System runs AEO2006.D111905A, UPCAP.D080106A, UPCAPS2.D073106B, and UPCAPLOTH.D073106A

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Table 3.2. Average Change in Employment in the H.R.5049A Case Relative to Reference Case, 2009-2030

| | Thousand | Percent |
|----------------------|----------|---------|
| Total employment | -58 | -0.04% |
| Industrial sectors | -70 | -0.28% |
| Manufacturing | -58 | -0.44% |
| Energy-intensive | -13 | -0.47% |
| Non-energy-intensive | -45 | -0.43% |
| Non-manufacturing | -12 | -0.10% |
| Service sectors | +12 | +0.01% |

Source: National Energy Modeling System runs AEO2006.D111905A and UPCAP.D080106A.