

# Climate Conference – Opening Statement

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U.S. Senate Committee on Energy & Natural Resources  
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Thank you, Mr. Chairman. I am Ruth Shaw, Group Executive, Public Policy and President, Duke Nuclear for Duke Energy Corporation. We appreciate the Committee's initiative in holding this Climate Conference, and the opportunity to participate.

As the nation's largest investor-owned utility, with a diverse fuel mix and a commitment to sustainability, Duke Energy is considering plans for new nuclear generation, for new lower-emission pulverized coal units, and for IGCC with the ability to capture carbon, as well as other options.

These assets will serve our nearly 4 million electric power customers across five states for 50 years or more – and will affect their electricity prices. The investment required is many billions of dollars. Customers and shareholders need greater certainty about carbon constraints and costs as we make these significant decisions for our future.

Therefore, Duke Energy favors a U.S. policy on climate change that:

- Is mandatory, not voluntary
- Is economy-wide in scope, sending consistent signals to all sectors in all regions
- Is market-based, with price transparency
- Promotes development and use of new technologies – essential for long-term success
- Is simple to administer
- Provides price certainty, and
- Begins now, becoming more stringent gradually over time

As we explained in our White Paper submission, such a policy could be achieved through a well-designed cap-and-trade program that:

- Applies upstream
- Effectively sends a price signal to all energy users, considering the ability of entities to pass through costs
- Includes a safety valve, and
- Uses allowance allocations to address significant economic impacts.

We also believe that a carbon tax could be an effective approach for U. S. climate policy.

Thank you for pursuing this dialogue. We look forward to working with Congress to establish a mandatory, economy-wide greenhouse gas reduction program that will be part of a global solution.