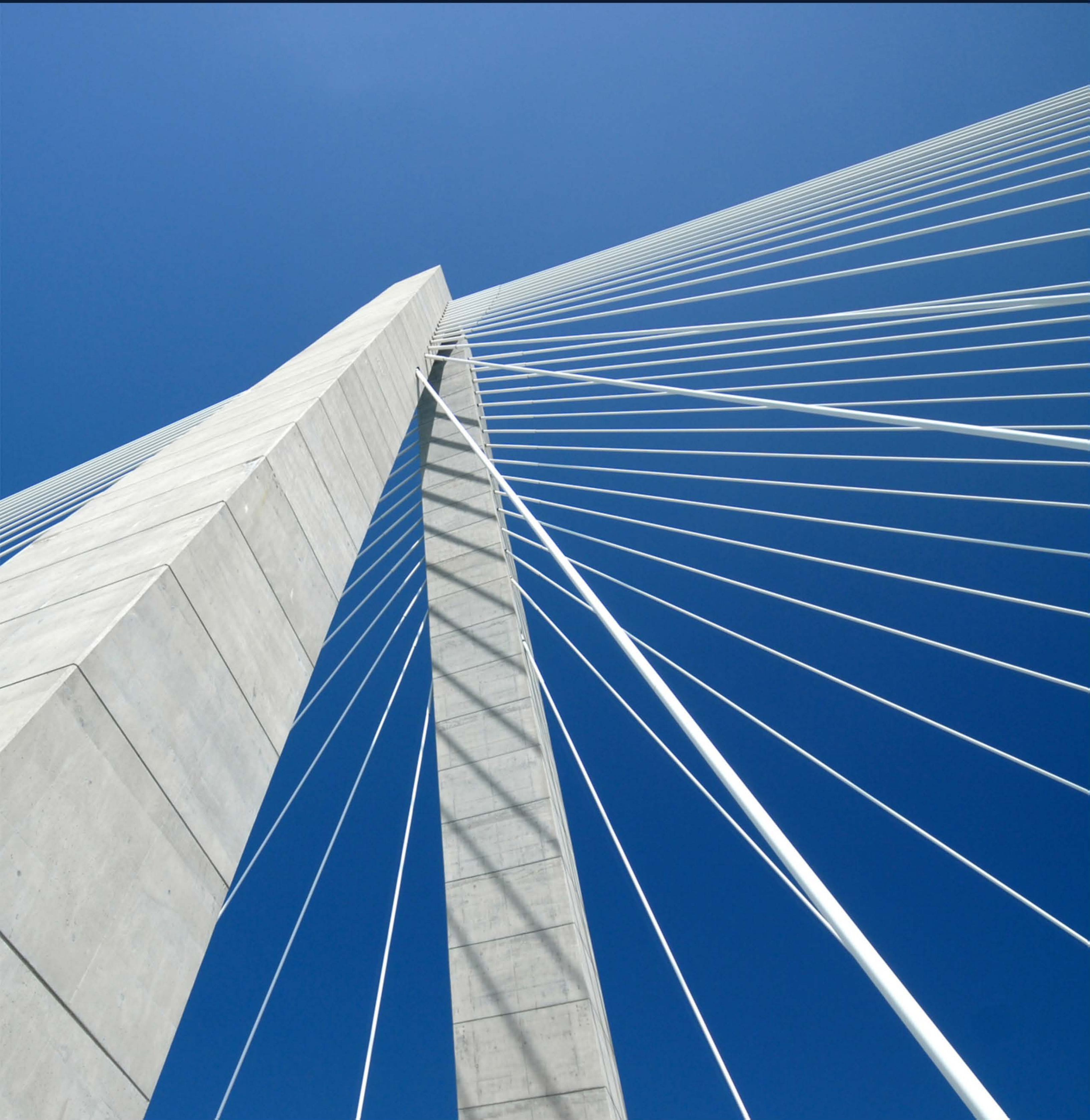
62nd Annual Meeting
Adopted Resolutions



2022 Adopted Policy Resolutions

Policy Resolution 1.2022

Adopted on August 29, 2022

Resolution Opposing EPA's 'Good Neighbor Rule'

Sponsors
Senator Brian Hughes, Texas*
Senator Mark Allen, Oklahoma
Senator Rupie Phillips, West Virginia
Senator Gary Stubblefield, Arkansas
Representative Howard Sanderford, Alabama
Representative Jim Gooch, Jr., Kentucky
Representative Mark McBride, Oklahoma
Delegate Will Morefield, Virginia

WHEREAS, on April 6, 2022, the U.S. Environmental Protection Agency (U.S. EPA) proposed a Federal Implementation Plan (FIP) on many of the states in the Southern States Energy Board's (SSEB) region to implement a "Good Neighbor" Plan governing interstate transport of emissions in the context of the 2015 Ozone National Ambient Air Quality Standard (NAAQS) (hereinafter, "Transport Rule FIP"); and

WHEREAS, on February 22 and May 24, 2022, the U.S. EPA summarily disapproved many state Transport SIP Revisions and issued the proposed Transport Rule FIP to impose significant additional compliance obligations on coal- and gas-fired power plants less than one year from now (May 1, 2023), impacting eleven SSEB states; and

WHEREAS, all SSEB states have strong environmental track records, highly efficient and well-controlled coal and gas plants, and have seen consistent improvements in ambient air quality as a result. In the SSEB region and nationally, ozone levels continue to drop and power plants are playing an ever-smaller role determining those levels relative to mobile and other sources; and

WHEREAS, the proposed Transport Rule FIP ignores these facts and appears to be more about meeting the current Administration's announced goals of eliminating fossil

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fuel power plants than addressing significant contributions to serious environmental risks; and

WHEREAS, the FIP would render moot the hundreds of millions of dollars our ratepayers have invested in enhanced NOx controls, including enhanced combustion controls and Selective Non-Catalytic Reduction (SNCR) systems; and

WHEREAS, the FIP imposes a draconian edict that all plants install replacements to those systems – called Selective Catalytic Reduction (SCR) controls – in just three years from the start of the new program. Even if it were appropriate to ignore and, in many cases, strand the investment already made by our ratepayers and expose them to hundreds of millions of new costs, it is simply not possible to accomplish the monumental task of universal SCR installation by 2026; and

WHEREAS, considering state and federal permitting requirements, as well as construction time and supply-chain issues, electric utilities will not have sufficient time or funds to stage and stagger the planned outages necessary for such a massive construction project across the fleet; and

WHEREAS, as a result, the most realistic outcome of U.S. EPA's action will be the mass premature retirement of coal and gas units not currently equipped with SCRs; and

WHEREAS, the western, midwestern, and southern states experienced region-wide outages for the first-time in 2020 and 2021, and that electric grid operators from these regions predict blackouts this summer: and

WHEREAS, the four Regional Transmission Organizations (ERCOT, MISO, PJM, SPP) have provided written comments to U.S. EPA expressing their concern that the Good Neighbor Rule will close critical baseload plants with no replacement power in place: and

WHEREAS, the closure of 42,443 MW of natural gas and coal generation will reduce the energy security of our nation.

THEREFORE, BE IT RESOLVED, that the Southern States Energy Board hereby expresses its concern that the U.S. EPA slow the process of the Good Neighbor Plan to

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gain a true understanding of the impact on reliability and resilience of the nation's electric grid; and

BE IT FURTHER RESOLVED, that the U.S. EPA work with the North American Electric Reliability Corporation and RTOs to ensure that the reliability and resilience of the electric grid is not compromised; and

BE IT FURTHER RESOLVED, that the U.S. EPA return to the cooperative federalism approach enshrined in the Clean Air Act and withdraw the proposed Transport Rule FIP so the long-pending State Transport SIP Revisions can be meaningfully reviewed and all issues resolved.

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Policy Resolution 2.2022

Adopted on August 29, 2022

Strong Energy Policy for a Robust Economic Future

Sponsor
Senator Ken Yager, Tennessee*
Senator Jimmy Holley, Alabama
Senator Gary Stubblefield, Arkansas
Representative Howard Sanderford, Alabama
Representative Rick Beck, Arkansas
Representative Jim Gooch, Jr., Kentucky
Representative Debbie Villio, Louisiana
Representative Mark McBride, Oklahoma

WHEREAS, more than half (54.1 percent) of global demand for energy continues to be met with oil and natural gas in 2019 with projections that the demand for oil and natural gas volumes will increase as world energy consumption grows; and

WHEREAS, the United States has emerged as the global leader in the production of oil, natural gas, and petroleum liquids; and

WHEREAS, increased domestic production of oil and natural gas over the past decade has resulted in fundamental net benefits to the U.S. economy, environment, workforce, and balance of trade through the reliable supply of affordable and sustainable energy; and

WHEREAS, domestic Liquified Natural Gas (LNG) exports have already begun supplanting natural gas supplies to countries that have had to rely on less politically stable, or hostile, countries; and

WHEREAS, oil and natural gas supplies have recently strained to meet the strong demand as global economies have rebounded from the early part of the COVID-19 pandemic; and

WHEREAS, the Biden Administration has implemented policies and engaged in actions to restrict oil and natural gas production on federal lands and waters which

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currently represent 12 percent of U.S. natural gas production and nearly a quarter of U.S. oil production; and

WHEREAS, these restrictions, leading to an actual or de facto ban, could require oil imports of 2 million barrels per day, an export reduction of natural gas by 800 billion cubic feet by 2030, a $700 billion reduction in GDP by 2030, 1 million jobs lost by the end of 2022, $9 billion in government revenues lost, and a cumulative $19 billion more spent on household energy; and

WHEREAS, the President and his Administration have further exacerbated the post COVID-19 oil and natural gas industry recovery by pursuing agency policies that unnecessarily burden the permitting and reporting policies that slow or stop the development of essential infrastructure; and

WHEREAS, Russia has been engaged in brutal aggression toward Ukraine uniting the West against Putin's regime and the oil and natural gas he exports further reducing global supplies; and

WHEREAS, the confluence of the COVID-19 recovery, public policy decisions, and geopolitical actions have led to reduced energy supplies putting upward pressure on energy prices; and

WHEREAS, the cost of energy is permeated throughout the economy from raw materials, production, and distribution, and there is invariably a resultant upward pressure on inflation.

THEREFORE, BE IT RESOLVED, that the Southern State Energy Board strongly urges the President of the United States to support an all-of-the-above energy policy that recognizes the key role oil and natural gas comprises in the total energy mix and that ensures long-term American energy leadership, security, and progress leading to increased domestic oil and natural gas production and supplies; and

BE IT FURTHER RESOLVED, that the Southern States Energy Board strongly urges the President and his Administration to implement the following steps immediately:

- Lift Development Restrictions on Federal Lands and Waters by swiftly issuing a five-year program for the Outer Continental Shelf, holding mandated quarterly onshore lease sales with equitable terms, and reinstating canceled sales and valid leases on federal lands and waters;

- Designate Critical Energy Infrastructure Projects by instructing Congress to authorize such projects of national interest entitled to undergo a streamlined review and permitting process not to exceed one year to support the production, processing and delivery of energy;
- Fix the National Environmental Policy Act (NEPA) Permitting Process by establishing agency uniformity in reviews, limiting reviews to two years, and reducing bureaucratic burdens placed on project proponents in terms of size and scope of application submissions;
- Accelerate LNG Exports and Approve Pending LNG Applications by instructing Congress to amend the Natural Gas Act to streamline the U.S. Department of Energy (U.S. DOE) to a single approval process for all U.S. liquefied natural gas (LNG) projects and instructing U.S. DOE to expedite pending LNG applications review to enable the U.S. to deliver reliable energy to our allies abroad;
- Unlock Investment and Access to Capital by instructing the Securities and Exchange Commission to reconsider its overly burdensome and ineffective climate disclosure proposal and ensure open capital markets where access is based upon the individual company, merit free from artificial constraints grounded in government-preferred investment allocations;
- Dismantle Supply Chain Bottlenecks rescinding steel tariffs that remain on imports from U.S. allies as steel is a critical component of energy production, transportation, and refining while also accelerating efforts to relieve port congestion so that equipment necessary for energy development can be delivered and installed;
- Advance Lower Carbon Energy Tax Provisions by instructing Congress to expand and extend Section 45Q tax credits for carbon capture, utilization, and storage development and create a new tax credit for hydrogen produced from all sources;

- Protect Competition in the Use of Refining Technologies by ensuring that future federal agency rulemakings continue to allow U.S. refineries to use the existing critical process technologies to produce the fuels needed for global energy markets;
- End Permitting Obstruction on Natural Gas Projects by instructing the Federal Energy Regulatory Commission to cease efforts to overstep its permitting authority under the Natural Gas Act and to adhere to traditional considerations of public needs as well as focus on direct impacts arising from the construction and operation of natural gas projects; and
- Advance the Energy Workforce of the Future by supporting the training and education of a diverse workforce through increased funding of work-based learning and advancement of STEM programs to nurture the skills necessary to construct and operate oil, natural gas, and other energy infrastructure.

Policy Resolution 3.2022

Adopted on August 29, 2022

Resolution in Support of Gulf of Mexico Oil and Gas Leasing

Sponsors
Senator Joel Carter, Mississippi*
Senator Jimmy Holley, Alabama
Senator Gary Stubblefield, Arkansas
Representative Howard Sanderford, Alabama
Representative Rick Beck, Arkansas
Representative Debbie Villio, Louisiana
Representative Brent Powell, Mississippi

WHEREAS, the Gulf of Mexico is a critical part of meeting basic U.S. energy supplies and produces approximately fifteen percent of the United States crude oil and five percent of the United States natural gas while contributing five to eight billion dollars to the federal treasury each year; and

WHEREAS, inflation, along with crude oil and natural gas prices are at historic highs, increasing the burden on energy consumers, especially those who can least afford higher prices; and

WHEREAS, the U.S. Department of the Interior (U.S. DOI), under the Outer Continental Shelf Lands Act, regulates offshore oil and gas leasing and development; and

WHEREAS, the Secretary of the Interior is required to prepare a five-year plan leasing schedule for offshore oil and gas leasing; and

WHEREAS, the U.S. DOI cancelled three lease sales in the Gulf of Mexico and Alaska in May 2022 as gasoline prices were at an all-time high, further exacerbating the energy price issues and burden on consumers; and

WHEREAS, American oil and gas is produced under the most stringent environmental and regulatory conditions, including in the Gulf of Mexico where the oil produced has the lowest carbon intensity; and

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WHEREAS, the President has asked for OPEC+ and other foreign and adversarial nations to produce more oil and gas to help the United States meet its demand, putting the United States at a national security disadvantage; and

WHEREAS, leasing and producing oil and natural gas domestically ensures American energy independence and helps protect consumers from price volatility.

THEREFORE, BE IT RESOLVED, that the Southern States Energy Board urges the U.S. Department of the Interior to expeditiously complete and deliver a robust and competitive five-year plan for oil and gas leasing on the outer continental shelf;

BE IT FURTHER RESOLVED, that the U.S. Department of the Interior hold the lease sales that are included in the current proposed five-year plan;

BE IT FURTHER RESOLVED, that in the absence of an active five-year plan, the Southern States Energy Board urges Congress to take action to pass legislation that mandates two region-wide lease sales to be held on an annual basis in the Gulf of Mexico; and

BE IT FURTHER RESOLVED, that a copy of this resolution be transmitted to the President of the United States, the Secretary of the Department of the Interior, and the leadership of the United States Senate and House of Representatives.

Policy Resolution 4.2022

Adopted Unanimously on August 29, 2022

Resolution in Support of Preserving and Protecting Consumer Choice for Energy Optionality

Sponsors
Senator Joel Carter, Mississippi*
Senator Jimmy Holley, Alabama
Senator Gary Stubblefield, Arkansas
Representative Howard Sanderford, Alabama
Representative Rick Beck, Arkansas
Representative Jim Gooch, Jr., Kentucky
Representative Debbie Villio, Louisiana
Representative Brent Powell, Mississippi
Representative Mark McBride, Oklahoma

WHEREAS, all families and businesses deserve access to affordable and reliable energy, whether electricity, natural gas, or transportation fuels; and;

WHEREAS, families and businesses are currently affected by the highest inflation rate in over 40 years which is being driven by increases in food and energy costs according to the U.S. Bureau of Labor Statistics; and

WHEREAS, all sources of natural gas and renewable natural gas supplies almost 32 percent of all the energy used nationally according to the U.S. Energy Information Administration; and

WHEREAS, the use of natural gas has driven decreasing emissions across the United States, with carbon dioxide emissions declining 5.6 percent below 2019 levels and 21 percent below 2005 levels according to the U.S. Environmental Protection Agency; and

WHEREAS, some states and municipalities across the country are devising ways to eliminate energy options currently available to residential, commercial, and industrial consumers by phasing out or banning the use of natural gas and propane; and

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WHEREAS, the average cost of energy conversions for existing homeowners may exceed $30,000 according to the National Association of Home Builders Home Innovation report; and

WHEREAS, research suggests that banning the use of natural gas and propane with too rapid a transition to electrification by higher socioeconomic classes would lead to higher energy bills and service disruptions for lower-income individuals and families while reversing the progress the United States has achieved in reducing emissions; and

WHEREAS, current natural gas infrastructure and technology will facilitate upstream innovation and investments in clean energy as part of the development of our future fuels mix;

THEREFORE, BE IT RESOLVED, that the Southern States Energy Board recognizes the important contributions of natural gas to ensuring energy affordability, reliability, and emission reductions; and

BE IT FURTHER RESOLVED, that the Southern States Energy Board expresses its opposition to restricting consumer choice by limiting or banning the use of natural gas and propane for residential, commercial, or industrial consumers by any level of government and the International Code Council; and

BE IT FURTHER RESOLVED, that copies of this resolution be distributed to the leadership of the United States Senate and House of Representatives, the Secretary of the Department of Energy, the Federal Energy Regulatory Commission, other applicable federal agencies, and the International Code Council.

Policy Resolution 5.2022

Adopted Unanimously on August 29, 2022

Continuing Resolution on Energy Costs

Sponsor

Mary Beth Tung, Ph.D., Esq., Director, Maryland Energy Administration, Governor's Alternate*
Senator Gary Stubblefield, Arkansas
Representative Howard Sanderford, Alabama

WHEREAS, inflation, energy and gasoline prices, and the rising cost of everyday goods and services are paramount in the minds of Americans; and

WHEREAS, the Nation, recovering from a pandemic that slowed economic activity that caused business closures and supply chain disruptions, now faces an energy crisis and the highest levels of inflation seen in four decades; and

WHEREAS, barriers to domestic production and the development of critical midstream infrastructure, and other market forces have significantly impacted global and domestic energy markets, being further exacerbated by the Russian war in Ukraine; and

WHEREAS, electricity prices as a singular economic factor, have a significant multiplier effect, and these higher prices can trigger severe economic impacts for American communities, consumers, and families; and

WHEREAS, energy prices have increased by 41.6 percent according to the June 2022 12-month Consumer Price Index, while energy commodities have increased by 60.6 percent; and

WHEREAS, skyrocketing energy prices, and the prices of the underlying commodities, threaten to usher in period of national and global economic hardship and possible recession; and

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WHEREAS, the estimated impacts of even 10 percent higher electricity prices could cost millions of jobs and trillions of dollars by 2040 and will also have serious negative impacts on individuals' standard of living; and

WHEREAS, rural and low-income Americans are the most susceptible to the adverse economic effects of increased electricity prices and inflation; and

WHEREAS, a greater domestic energy development, further energy and utility deregulation, and diverse generation sources can guard against rising electricity prices while providing more reliable and resilient energy to businesses and communities; and

WHEREAS, energy diversification is an essential precursor for energy security and helps safeguard against disruptions and shocks within the energy supply chain while ensuring adaptiveness in the face of uncertainty; and

WHEREAS, this body did resolve on September 29, 2020, and again on September 28, 2021, to place the cost of electricity at the forefront of policy decisions.

THEREFORE, BE IT RESOLVED, that the Southern States Energy Board and our Nation's political and community leaders must renew and reinvigorate the drive to mitigate the escalation of electricity prices associated with energy policy initiatives and global market forces and maintain cost and price as central to all energy policy decisions and considerations alongside other important factors such as grid reliability, resiliency, environmental impacts, and security; and

BE IT FURTHER RESOLVED, that those same leaders must acknowledge and address the reality that policies that increase costs place an undue burden on citizens and communities, as those costs are socialized among everyday ratepayers, including those who can least afford escalating utility rates; and

BE IT FURTHER RESOLVED, policies must be evaluated on how they impact America's most disadvantaged and vulnerable, the poor, the elderly, first responders, front line workers essential to agricultural production, food supplies or supply chains, anyone on fixed incomes, and all other citizens.

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Policy Resolution 6.2022

Adopted Unanimously on August 29, 2022

Continuing Annual Congressional Appropriations for the Existing Regional Carbon Sequestration Partnerships

Sponsor
Representative William E. "Bill" Sandifer, III, South Carolina*
Senator Gary Stubblefield, Arkansas
Representative Howard Sanderford, Alabama

Whereas, the Southern States Energy Board was created by Southern Governors and State Legislative Leaders in 1960 and its membership includes Governors, State Legislators and a Federal Representative, an appointee of the President of the United States; and

Whereas, the mission of the Board is to enhance economic development and the quality of life in the South through innovations in energy and environmental programs, policies, and technologies; and

Whereas, the Southern States Energy Board began a long-term policy and technical initiative on *Carbon Management* in 2000 at the direction of its Chairman and Executive Committee; and

Whereas, the U.S. Department of Energy (DOE) established a nation-wide network of seven Regional Carbon Sequestration Partnerships (RCSPs) in 2003; and

Whereas, the Southern States Energy Board has served as the manager of the Southeast Regional Carbon Sequestration Partnership (SECARB) since 2003, demonstrating the world's first fully integrated carbon dioxide capture, transportation, storage and monitoring demonstration facility and supported, with its plans and partners, the commercial scale-up of these technologies at Petra Nova near Houston, Texas; and

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Whereas, SECARB was first of the RCSPs in the field; first to achieve one million metric tons of carbon dioxide removal, culminating in more than 11 million metric tons injected and surpassing all other RCSPs; and

Whereas, SECARB was bestowed with two awards for these high achievements by the international Carbon Sequestration Leadership Forum consisting of 25 nations; and

Whereas, the DOE recompeted the RCSPs in 2019 for a five-year program to conclude in 2024 and rebranded the Partnerships as the Regional Initiatives to Accelerate CCUS Deployment; and

Whereas, the RCSPs are leveraging federal funding with greater cost-share contributions from partners than required; and

Whereas, industry confidence in the RCSPs continues to grow as they seek the RCSP subject matter experts to de-risk their transition from RD&D interests to commercial deployment of CCUS technologies; and

Whereas, the RCSPs have unique CCUS facility design, risk mitigation, and operational experience to provide to industry, and the RCSPs are trusted sources of region-specific knowledge in order to prevent project failures; and

Whereas, U.S. President Joe Biden signed the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law, into Public Law 117-58 on November 15, 2021; and

Whereas, the RCSPs are needed to support CCUS-related goals and objectives of the Bipartisan Infrastructure Law-funded projects, including new hydrogen markets and hubs; and

Whereas, the RCSPs are working with the industrial sector to construct infrastructure buildout models that provide the least environmental and societal impacts to communities, with an emphasis on environmental justice communities; and

Whereas, the RCSPs actively engage with industry and academia on the topics of workforce needs, readiness, and job training and creation; and

Whereas, the RCSPs demonstrate leadership in the global effort for deployment of CCUS by promoting technology transfer and best practices development, thereby reducing risk and increasing certainty for future CCUS projects; and

Whereas, the U.S. Department of Energy issued a Notice of Intent on July 21, 2022, to recompete the Regional Partnerships using their own Fiscal Year (FY) 2022 funding appropriated by Congress due to the U.S. Senate Subcommittee on Energy and Water Development's direction to the U.S. Department of Energy to recompete all federal funding more frequently; and

Whereas, the Notice of Intent allows for a two-year project performance period; and

Whereas, frequent recompetition of the RCSPs and short-term performance periods will stymie the current unprecedented momentum the RCSPs have gained to accelerate the commercialization and deployment of carbon dioxide capture and storage technologies, thus providing a major setback to the stated goals of the Biden Administration to accelerate commercialization of CCUS; and

Whereas, the RCSPs' technical breakthroughs, technology improvements, and industry and regulatory guidance over the years have lowered the costs and reduced risks and uncertainties so that the energy industry may now pursue CCS commercialization with strong technical support from the RCSPs; and

Whereas, trusted decarbonization expertise offered by the RCSPs to the industrial sector and international community will be lost through recompetition, delaying commercialization of CCUS technologies and compromising the impact of federal investments to date and the success rate of future deployment.

THEREFORE, BE IT RESOLVED, that the Southern States Energy Board's Carbon Management Program supports the U.S. Department of Energy and its Office of Fossil Energy and Carbon Management's goal to minimize the environmental impacts of fossil fuels while working toward net-zero emissions; and

BE IT FURTHER RESOLVED, that the Southern States Energy Board strongly urges the U.S. Senate Committee on Energy and Natural Resources, U.S. Senate Committee on Appropriations, U.S. Senate Subcommittee on Energy and Water Development, U.S.

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House Committee on Appropriations, the U.S. House Subcommittee on Energy and Water Development, and Related Agencies, and the U.S. Department of Energy to:

- Immediately release the FY22 Appropriation to the four existing Partnerships by awarding a determination of non-competitive financial assistance (DNFA) to increase the funding ceiling;
- Delay recompetition, stand up the next phase of the Partnerships with FY23 and subsequent Appropriations funding, set a term that will begin when the current term ends, and establish a new term with a minimum of five years;
- Consider an earmark for the Regional Carbon Sequestration Partnerships to establish federal investment and commitment that is indisputable and provide industry with the long-standing subject matter expertise in the full value chain of CCS technologies that will accelerate commercial deployment and industrial decarbonization efforts across the Nation;
- Request briefings with the RCSPs when there is uncertainty regarding the value or term of the program and attend DOE's annual review meetings of the RCSPs;
- Continue to fund the RCSPs in the fiscal year intended; and

BE IT FURTHER RESOLVED, that copies of this resolution be presented to members of the U.S. Senate Committee on Energy and Natural Resources, U.S. Senate Committee on Appropriations, U.S. Senate Subcommittee on Energy and Water Development, U.S. House Committee on Appropriations, and the U.S. House Subcommittee on Energy and Water Development, and Related Agencies and the Secretary of the U.S. Department of Energy.

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