



Climate Change Legislation The Current Forecast

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Waxman-Markey: The Big Picture

- American Clean Energy Security Act of 2009
 - Clean Energy – renewable electricity standard (RES)
 - Energy Efficiency – building code, lighting and appliances, mobile sources, utilities (EERS)
 - Global Warming – Cap and Trade Program
 - “Transitioning” – Adaptation

Energy Provisions

- RES
 - 6% of portfolio by 2012 (3% currently)
 - 25% of portfolio by 2025
 - Some flexibility to use energy efficiency
 - Incentives for distributed generation
- EERS – Cumulative electricity savings %
 - 1% by 2012
 - 15% by 2020
- Carbon Sequestration – Measures to fund research and do demonstrations

Energy Provisions, cont.

- Mobile Sources
 - Bio-fuels
 - Hybrid electric
 - Plug-in electric
- Carbon Sequestration – Measures to fund research and do demonstrations
- Smart Grid / Transmission –
Development of demand reduction goals by 2012

Climate Change Provisions

- Cap-and-Trade Program
 - 20% reduction from 2005 by 2020; 83% reduction by 2050
 - Facilities emitting more than 25,000 tons CO₂e annually
 - Framework for auction, but details omitted
 - Offsets and safety valves

Climate Change Provisions, cont.

- Expansive citizen suit provision
- Preemption of existing state programs
- Preclusion of regulation of GHG:
 - as criteria pollutants
 - as hazardous air pollutants
 - under NSR

A Note on 3 Pollutant Legislation

- Legislation announced in both houses
 - 75% reduction from Phase II acid rain for SO₂
 - 75% reduction from 1997 levels for NO_x
 - Power plants must meet NSPS within the later of 5 years of introduction or 30 years of service
- Not clear if will be attached to climate bill
- Market mechanisms for both SO₂ and NO_x; no market mechanism for mercury

Issues Being Negotiated

- Tax v. Cap-and Trade (NOT!)
- Free Allocation v. Allowances
 - Obama budget assumes 100% auction
 - Apparently DOA in Congress
 - Start with substantial free allowances; decrease over time
- What about coal?
- Protection for power-intensive industries?
- Protection for low-income families?

Political Prospects

Yes (19) (Need 30)

Henry Waxman (D-Calif.)
Ed Markey (D-Mass.)
Frank Pallone (D-N.J.)
Anna Eshoo (D-Calif.)
Lois Capps (D-Calif.)
Jane Harman (D-Calif.)
Janice Schakowsky (D-Ill.)
Jay Inslee (D-Wash.)
Tammy Baldwin (D-Wis.)
Anthony Weiner (D-N.Y.)
Doris Matsui (D-Calif.)
Donna Christensen (D-V.I.)
Kathy Castor (D-Fla.)
John Sarbanes (D-Md.)
Christopher Murphy (D-Conn.)
Jerry McNerney (D-Calif.)
Betty Sutton (D-Ohio)
Bruce Braley (D-Iowa)
Peter Welch (D-Vt.)

Political Prospects

Maybe (18) (Need 11 of these)

John Dingell (D-Mich.)
Rick Boucher (D-Va.)
Bart Gordon (D-Tenn.)
Bobby Rush (D-Ill.)
Bart Stupak (D-Mich.)
Eliot Engel (D-N.Y.)
Gene Green (D-Texas)
Diana DeGette (D-Colo.)
Mike Doyle (D-Pa.)
Charles Gonzalez (D-Texas)
Mike Ross (D-Ark.)
Jim Matheson (D-Utah)
G.K. Butterfield (D-N.C.)
Charlie Melancon (D-La.)
John Barrow (D-Ga.)
Baron Hill (D-Ind.)
Zach Space (D-Ohio)
Mary Bono Mack (R-Calif.)

Political Prospects

■ No (22)

Joe Barton (R-Texas)
Fred Upton (R-Mich.)
Ralph Hall (R-Texas)
Cliff Stearns (R-Fla.)
Nathan Deal (R-Ga.)
Ed Whitfield (R-Ky.)
John Shimkus (R-Ill.)
John Shadegg (R-Ariz.)
Roy Blunt (R-Mo.)
Steve Buyer (R-Ind.)
George Radanovich (R-Calif.)
Joseph Pitts (R-Pa.)
Greg Walden (R-Ore.)
Lee Terry (R-Neb.)
Michael Rogers (R-Mich.)
Sue Myrick (R-N.C.)
John Sullivan (R-Okla.)
Tim Murphy (R-Pa.)
Mike Burgess (R-Texas)
Marsha Blackburn (R-Tenn.)
Phil Gingrey (R-Ga.)
Steve Scalise (R-La.)

Action By EPA?

- EPA issued draft endangerment finding
- How would EPA regulate GHG under existing authority?
 - Mobile sources?
 - Stationary sources?
 - NSR/PSD? How avoid low thresholds?
 - Authority for a cap-and-trade program?



Questions?

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