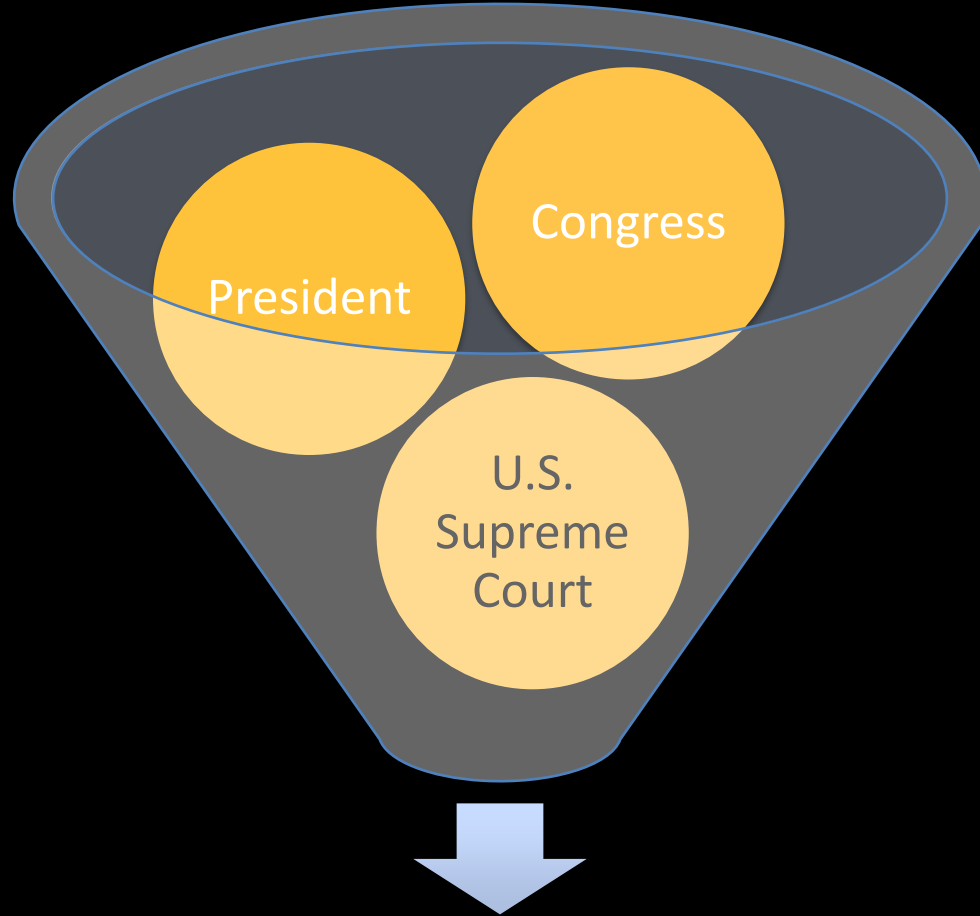




# Current Developments in U.S. Climate Change Policy



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U.S. Climate Policy

# All Three Branches of Government Involved

## U.S. Supreme Ct

- Clean Air Act Applies to Greenhouse Gases; EPA Must Act under Clean Air Act
- Will be Final “Judge” on Implementation of U.S. Program

## President

- Favors Broad Cap-and-Trade Program
- Copenhagen Commitment of 17% plus
- Will push on Administrative Front

## Congress

- House Bill— Waxman-Markey Passed
- Senate Bills floated; None pursued
- Senate Must Ratify International Agreement

# President Obama's Actions to Date

- Strong proponent of cap and trade—but largely absent from debate on Capitol Hill
- Supported billions in stimulus package for renewable and low-carbon energy infrastructure and R&D



- “Politically binding” Copenhagen Commitment of 17% below 2005 levels (3% below 1990 levels)
- Obama’s EPA is on the go—with the potential for deep reductions over time, without new legislation

# Dynamics in the U.S. Congress



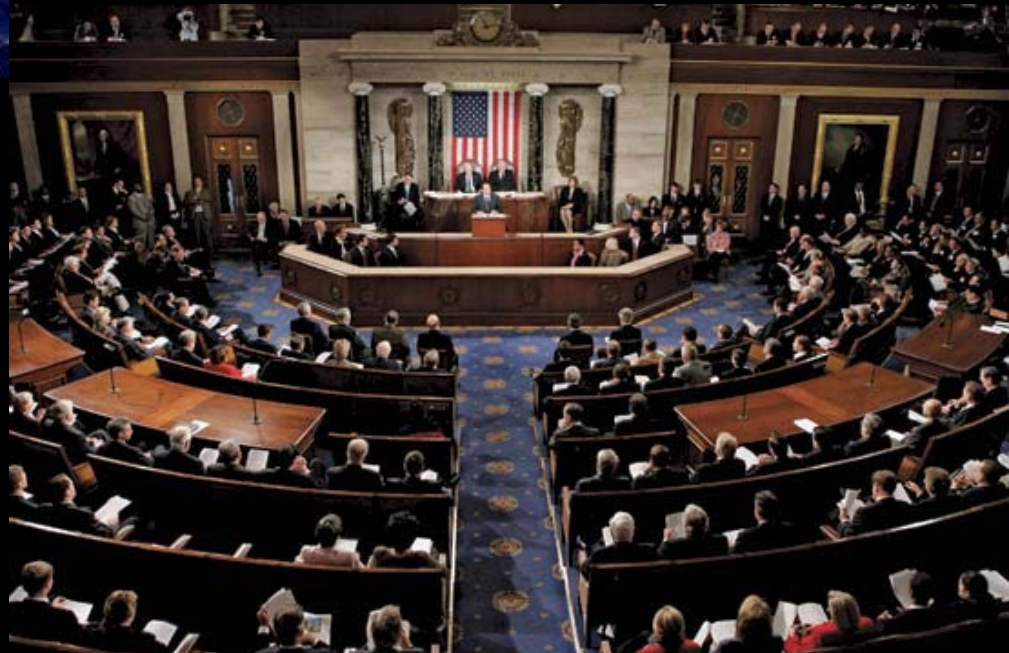
## U.S. HOUSE of REPRESENTATIVES

- Large Democratic Majority (256 to 178)
- Need 218 Votes to Pass Bill
- No Roll in Treaty Ratification

## U.S. SENATE

- 59-41 Democratic Majority
- Need 60 votes to allow vote on bill
- Need 67 votes to ratify treaty

Will Need Republican Votes



# Waxman-Markey Bill Passed House

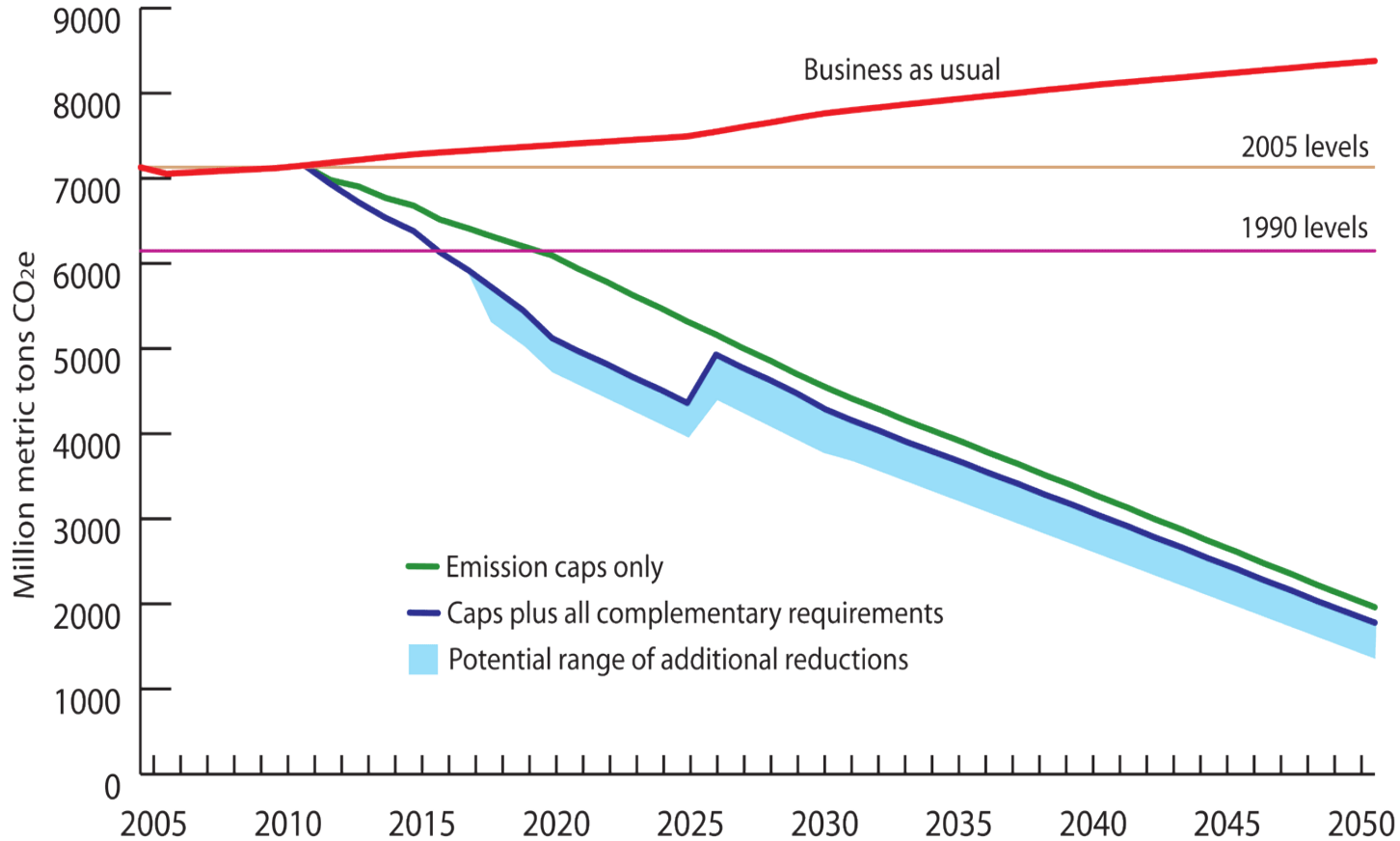


*Speaker of the House Nancy Pelosi*

- Coverage: 85% of U.S. emissions through broad cap and trade
- 17% below 2005 levels by 2020; 83% below by 2050
- Threshold: entities >25K tons CO<sub>2</sub>e
- Offsets: 2 billion tons offsets domestic & international
- Cost containment: Strategic reserve of 2.5 billion allowances available if allowances prices rise above trigger price (\$28 in 2012)

## Emission Reductions Under H.R. 2454, the American Clean Energy and Security Act, 2005-2050

May 19, 2009



- November 2<sup>nd</sup> Elections
  - All House Members face reelection in November; 1/3 of the Senate
  - Some expect House to go to Republican party;
  - Senate less likely to flip, but loss of some Democratic seats possible
- Bottom line: Need Republican Support more next year



Under existing law, Obama's EPA has begun regulating greenhouse gas emissions:

- Mandatory GHG Reporting Rule
- Officially declared GHG pollution a danger to public health & welfare
- Issued new regulations to improve emissions from new motor vehicles
- Draft regulation for imposition of Best Available Control Technology on new and modified stationary sources
- Other significant regulation of existing major emitters of GHGs



*EPA Administrator Lisa Jackson, with Obama*



- PSD/BACT
- New Source Performance Standards
- Vehicle Emissions Standards
- Title VI



- CAFE Standards



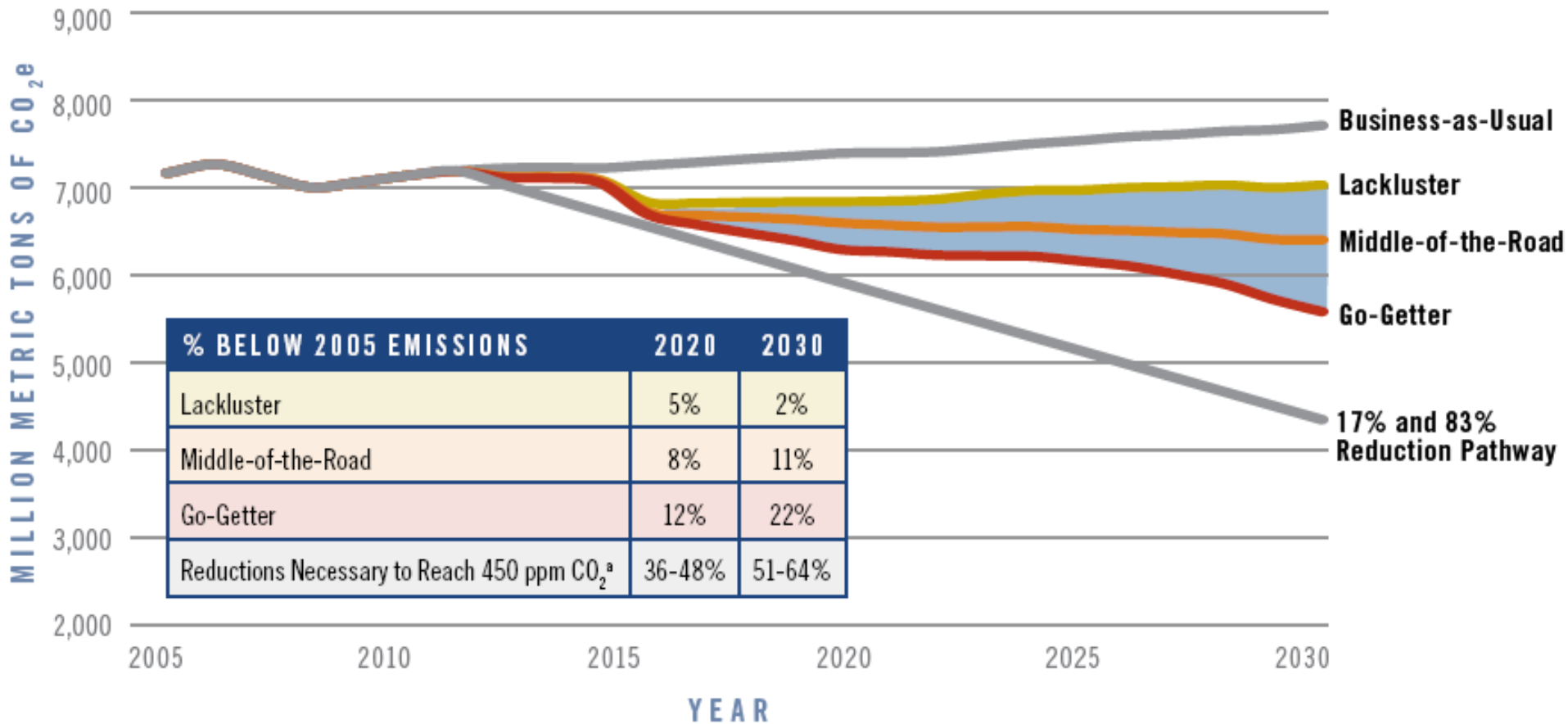
- Appliance and Equipment Standards

- Emissions and Operational Standards for Aircraft



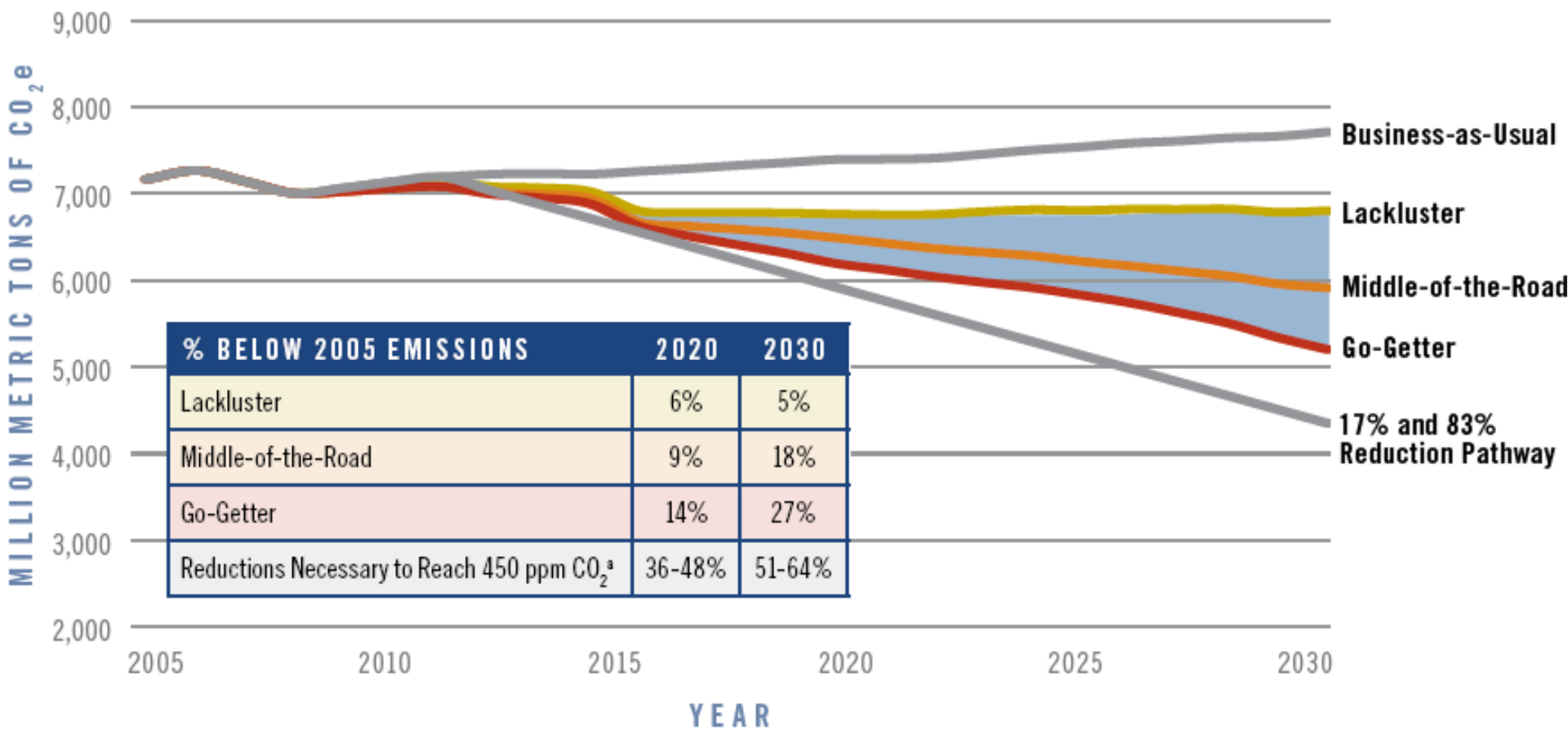


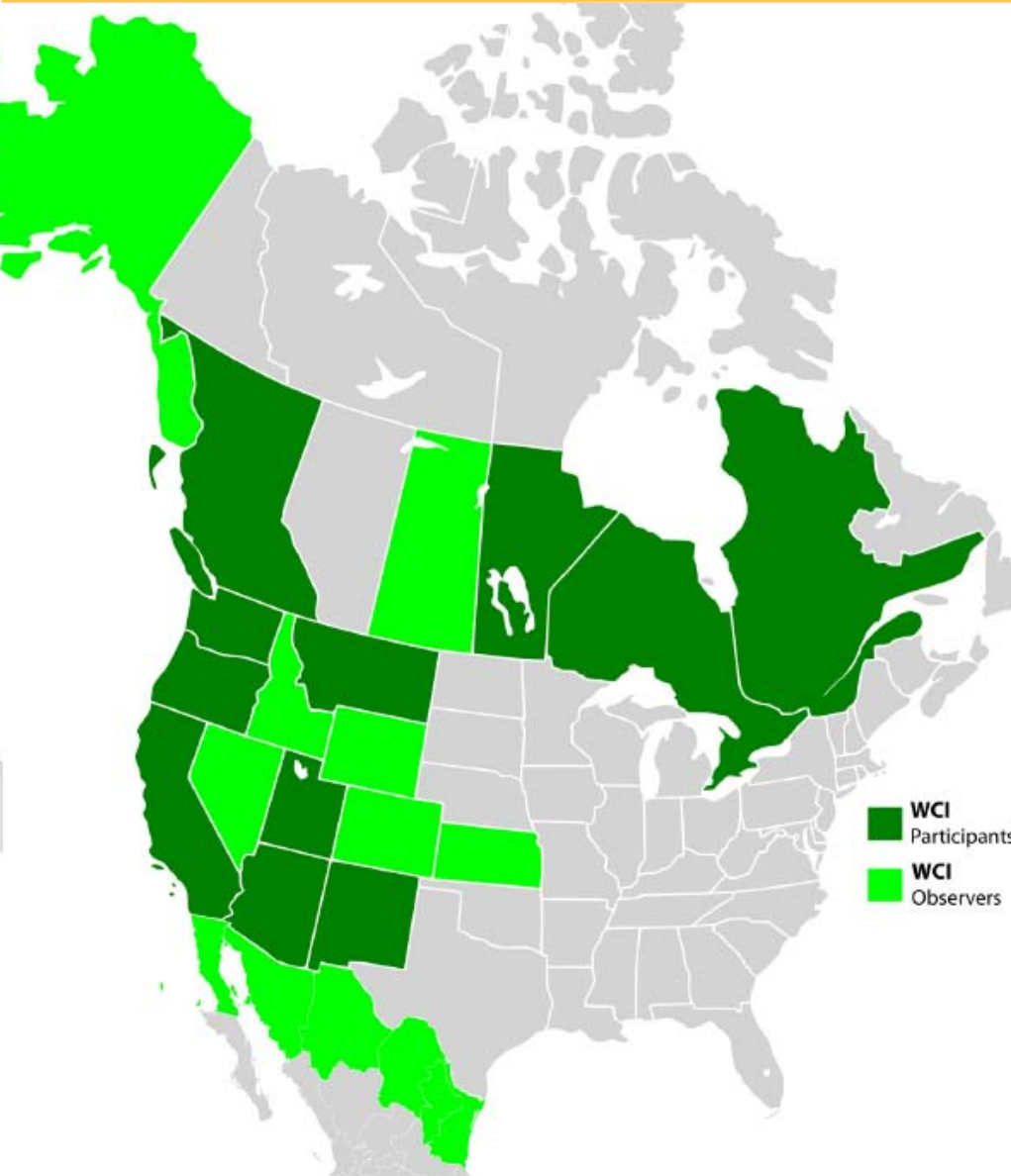
**FIGURE 1. Projected U.S. Emissions under Different Federal Regulatory Scenarios**





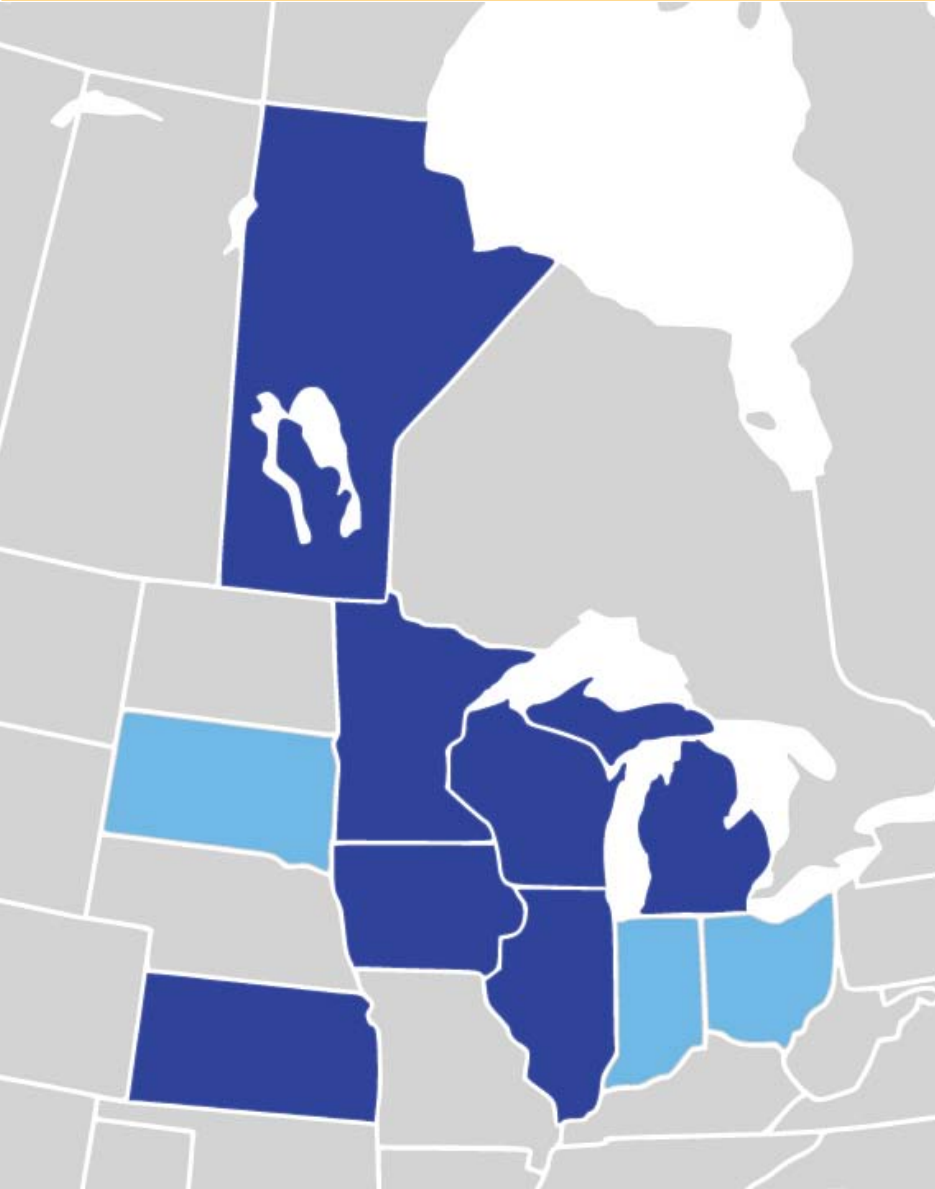
**FIGURE 2. Projected U.S. Emissions under Different Federal Regulatory Scenarios and State Scenarios**





## Western Climate Initiative

- States and Provinces not waiting for federal action
- WCI Design Recommendations Fall 2008
- WCI Now engaged in Implementation
- Also engaged in potential linking with Northeast



## Midwestern Greenhouse Gas Reduction Accord

- Effort to design and implement cap-and-trade program for Midwest
- Issued Design Recommendations June 2009
- Model set of regulations Spring 2010
- Primary goal: influence federal policy; secondary goal: implementation
- If federal action is delayed, will MGGRA follow through?



## Northeast Regional Greenhouse Gas Initiative

- Electricity generator cap-and-trade program
- In operation since October '08
- 10 States
- RGGI First: Auction 100%
- Modest cap: stabilizes emissions 2009 – 2014
- 2.5% reduction per year from 2015 – 2018

# The Trajectory of Climate Change Action in the United States



# The Road Before Us?

**Copenhagen** commitment to  
reduce emissions by 17% below 2005 levels by 2020

## States and Regions

continue  
actions to reduce emissions through energy  
& climate change policies

**U.S. EPA** exercises its authority to regulate  
greenhouse gas emissions from mobile and stationary  
sources

## U.S. Congress Acts

on comprehensive climate change legislation  
that (more than) achieves Copenhagen  
commitment



# For more information

[www.wri.org](http://www.wri.org)

<http://www.epa.gov/climatechange/>

[www.rggi.org](http://www.rggi.org)

[www.midwesternaccord.org](http://www.midwesternaccord.org)

[www.westernclimateinitiative.org](http://www.westernclimateinitiative.org)



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## Aggregate Contributions of Major GHG Emitting Countries

