



Climate Change Policy and The Next President and Congress

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Overview of Presentation

- Introduction to the Pew Center
- Outlook for US climate change debate
- Explanation of predictions
 - Congressional Debate 1992 – 2006
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Pew Center on Global Climate Change



Founded in May 1998

Independent, non-profit, non-partisan

Divided into five major program areas:

Scientific Studies/Analyses

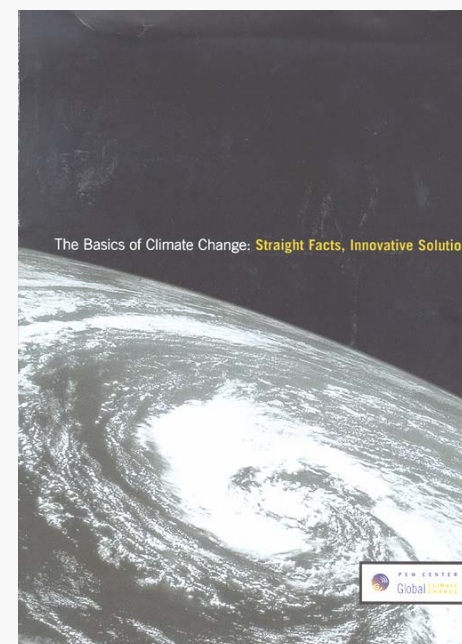
Domestic and International
Strategies

Outreach Activities

- Business
- States

Solutions

Communications



Business Environmental Leadership Council



Outlook for the U.S. climate change debate

- The next U.S. President, whether McCain or Obama, will likely propose a package of energy/climate measures, including a GHG cap-and-trade, in the first half of 2009.
- Congress will likely begin debate over energy/climate measures, including a GHG cap-and-trade, early in 2009.
- It is possible that a cap-and-trade bill will be enacted 2010, and that it may have moved part of the way through Congress by December 2009.

- Under either Obama or McCain, U.S. is likely to be more constructive in negotiating a climate treaty than under Bush.
- However, U.S. is not likely to be prepared to agree to a specific target during UN climate negotiations in Copenhagen in December 2009, and therefore it is unlikely that negotiations will be completed then.

- U.S. is more likely to enact a strong domestic GHG cap-and-trade law in 2010 and commit to an international treaty if it sees in Copenhagen:
 - Willingness by Europe to accept a US target range in line with targets under discussion in Congress; and
 - Willingness by major economies to consider binding GHG mitigation commitments (while respecting common but differentiated responsibilities).
- Best possible outcome in Copenhagen may be an interim agreement on the structure of the post-2012 framework, with specific commitments to be agreed in 2010 or 2011.

Explanation of outlook

Congressional Debate 1992 - 2006



1992

- President George H.W. Bush supports UN Framework Convention on Climate Change
- U.S. Senate quickly ratifies UNFCCC
- Most significant U.S. climate policy to date

1992 UNFCCC

- Objective: “stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system”
- UNFCCC greenhouse gas (GHG) reductions voluntary
- Bush 41, Clinton and Bush 43 launch and expand voluntary programs - e.g. Climate Leaders
- US GHG emissions continued to rise steadily

Congressional Debate 1992 - 2006



1993 - 2000

- Senate unanimously passes Byrd-Hagel resolution opposing Kyoto framework (1997)
- Clinton supports 1997 Kyoto Protocol, but proposes no legislation to meet Kyoto's requirements
- In Congress, a "No Man's Land" forms between supporters of Kyoto Protocol and opponents of climate action: People proposing climate measures more moderate than Kyoto Protocol are attacked by both sides.

Congressional Debate 1992 - 2006



2001 – 2006

- G. W. Bush opposes Kyoto, breaks promise to limit power plant CO₂ emissions (2001)
- No Man's Land is eliminated: Democrats and moderate Republicans begin to offer climate proposals (2001)
- Large minority of Senators vote for McCain-Lieberman GHG cap-and-trade bill (2003)
- Majority of Senators vote for nonbinding resolution supporting mandatory climate action (2005)

US State Action



- Most US federal environmental laws based on state and local models
- 24 states are currently developing GHG cap-and-trade programs (over half US population)

- California Governor Schwarzenegger issues greenhouse gas targets (2005):
 - 1990 levels by 2020
 - 80% below 1990 levels by 2050
- First national political figure to set 2050 target

Growing belief in industry that US climate action is now inevitable and possibly desirable.

- Supreme Court ordered EPA to regulate GHGs
- CAIR rule repudiation
- State action
- GHG regulation in place in Europe
- Want US to influence post-2012 international climate negotiations

U.S. Climate Action Partnership (USCAP)

(www.us-cap.org)

Members:

- **Companies:** AIG, Alcoa, Alcan, Boston Scientific, BP America, Caterpillar, Chrysler, Conoco-Phillips, Deere, Dow, Duke, DuPont, Exelon, Ford, FPL, GE, GM, J&J, Marsh, NRG, PepsiCo, PG&E, PNM, Rio Tinto, Shell, Siemens, Xerox
- **NGOs:** Pew Center, Environmental Defense, Natural Resources Defense Council, National Wildlife Federation, Nature Conservancy, World Resources Institute

USCAP (cont.)

- Partnership of the Chief Executive Officers (CEOs) of the member organizations
- Calls for reductions of US GHG emissions
 - 100 – 105% of current levels within 5 years
 - 90 – 100% of current levels within 10 years
 - 70 – 90% of current levels within 15 years
- Long term target:
 - 20 – 40% of current levels by 2050

USCAP (cont.)

- Calls for rapid enactment of laws, including:
 - GHG cap-and-trade
 - Support for technology research & deployment (especially for carbon capture, sequestration)
 - Transportation: vehicles, fuels, reduced travel
 - Buildings: buildings, appliances, equipment, incentives for building owners

Acknowledgement of Climate Science



“Energy security and climate change are two of the great challenges of our time. The United States takes these challenges seriously. The world’s response will help shape the future of the global economy and the condition of our environment for future generations. ... We must lead the world to produce fewer greenhouse gas emissions, and we must do it in a way that does not undermine economic growth or prevent nations from delivering greater prosperity for their people.”

- President George W. Bush, Sept 28, 2007

Acknowledgement of Climate Science

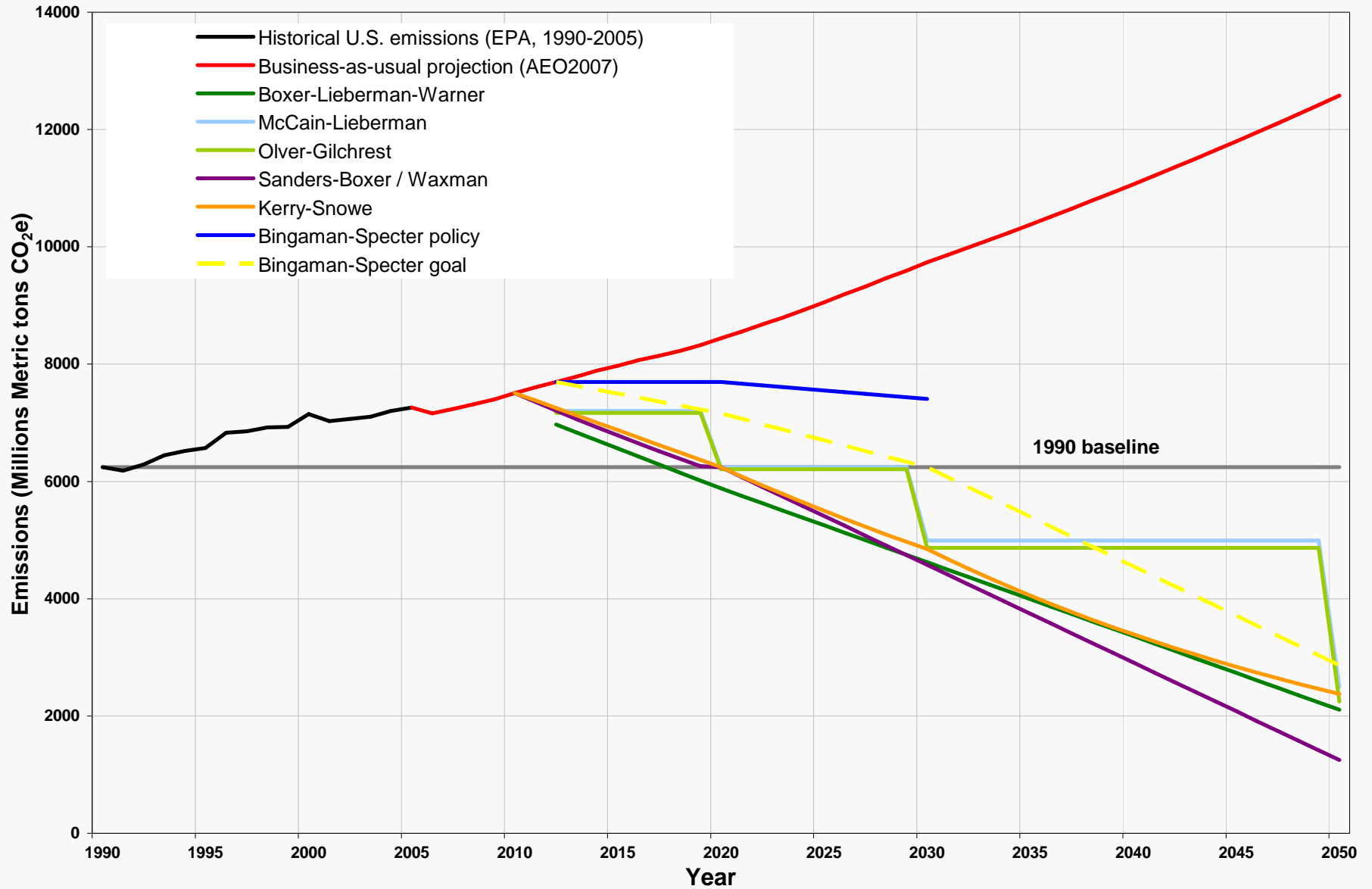


"[Business] Roundtable CEOs agree that there is increasing evidence that the earth's climate has been warming over the last century and that greenhouse gas (GHG) concentrations have increased in the atmosphere due to rising worldwide emissions of GHGs. We believe that steps to address global warming are prudent now even while the science continues to evolve. Our members have a range of views and preferences regarding the policy tools that should be used to address the warming threat. However, we agree on the need for collective actions that will lead to the reduction of GHG emissions on a global basis with the goal of slowing increases in GHG concentrations in the atmosphere and ultimately stabilizing them at levels that will address the risk of climate change."

Testimony of John J. Castellani
President, Business Roundtable
before the U.S. Senate Committee
on Foreign Relations
January 24, 2008

- In 10th Congress (2007-2008) there have been 213 hearings held and 235 bills introduced, much more than previous Congresses.
- 2007 Energy Bill will effect GHG emissions:
 - Vehicle efficiency standards
 - Renewable fuel standard
 - Appliance efficiency standards
- However, today in Washington, “climate bill” = GHG cap-and-trade bill.

Congressional Debate 2007 - 2008



Congressional Debate 2007 - 2008



Senate held debate on debate Boxer-Lieberman-Warner
GHG cap-and-trade bill, June 2 – 6, 2008 :

- Debate was very disappointing
- No votes were held on amendments
- No final vote was held on the bill itself
- The vote on whether to amend and have a final vote on bill failed
- Too much discussion of gasoline prices and the economy
- Too little understanding of the negligible effect of B-L-W bill would have on gasoline prices and economy

Still, something can be learned from event.

Results of the June 6 vote on whether to amend and vote on B-L-W (note that this was not a vote on the B-L-W bill itself):

- 48 Senators voted yes
- Another 6 Senators would have voted yes if present
- Another 6 Senators on record supporting cap-and-trade
- Another 6 Senators on record supporting mandatory GHG reduction

60 Senators are needed to enact major legislation.

Congressional Debate 2007 - 2008



From the June 2 – 6 debate, we learned:

- The B-L-W bill itself had very little support – perhaps no more than 35 – 40 Senators.
- Nevertheless, a majority of U.S. Senators support mandatory climate action, probably in the form of GHG cap-and-trade.
- However, the design of the cap-and-trade program is still very controversial.
- Without strong presidential leadership, the debate could last for years.

Current Financial Crisis



Will the current financial crisis and/or rising gasoline prices delay enactment of GHG cap-and-trade?

In last two weeks:

- 7 Western Governors release design recommendations for GHG cap-and-trade (WCI goal = 15% below 2005 levels by 2020)
- 10 Northeastern states auction CO2 allowances (RGGI goal = 10% below current levels by 2019)
- Dingell-Boucher GHG cap-and-trade “discussion draft” still anticipated
- McCain and Obama reaffirmation of support for GHG cap-and-trade

Current Financial Crisis



McCain (Sept 25):

“Over time, we must shift our entire energy economy toward a sustainable mix of new and cleaner power sources. This will include some we use already, such as wind, solar, biofuels, and other sources yet to be invented. It will include a variety of new automotive and fuel technologies, clean-burning coal and nuclear energy, and a new system of incentives, under a **cap-and-trade policy**, to put the power of the market on the side of environmental protection.”

Current Financial Crisis



Obama (Sept 25):

“No single issue sits at the crossroads of as many currents as energy. Our dependence on oil and gas funds terror and tyranny; it has forced families to pay their wages at the pump; and it puts the future of our planet in peril. This is a security threat, an economic albatross, and a moral challenge of our time. The time to debate whether climate change is manmade has passed – it’s time, finally, for America to lead. The first commitment that I’ll make today is setting a goal of an 80 percent reduction in greenhouse gas emissions by 2050. To do our part, **we’ll implement a cap-and-trade program** so that there’s a price for pollution, and resources to transform our energy economy.”

Recap: The Next President and Congress

The Next President and Congress



- The next President will likely propose energy/climate framework, including GHG cap-and-trade, in first half of 2009.
- Congress will likely begin debate over energy/climate measures, including a domestic GHG cap-and-trade, early in 2009.
- It is possible that a GHG cap-and-trade bill will be enacted by end of 2010.
- US debate over GHG cap-and-trade will likely be influenced by international climate negotiations in December 2009.
- Climate treaty possible in 2010 or 2011.

For More Information



www.pewclimate.org

