

# **America Is Serious about Climate Action**

Global Support for a New International Consensus Is Key to Success at Copenhagen

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President Barack Obama and the United States' leadership in the upcoming U.N. climate change conference in Copenhagen will be instrumental to a successful outcome. The United States is the world's largest historical and per-capita emitter of greenhouse gases. We cannot hope to meet the goal of limiting increases in global temperatures to 2 degrees Celsius without U.S. participation in a new international convention to limit carbon pollution. Getting to that agreement will require an unprecedented level of international cooperation. Yet the United States' notable inaction on climate change for eight years under the Bush administration has left a legacy of mistrust.

President Obama has reversed this course and reoriented us in a new direction. Since taking office just 10 months ago he has assembled an all-star green cabinet that fully grasps the science of climate change and the urgency it brings, including Nobel Prize laureate <u>Steven Chu</u> as secretary of the Department of Energy, and one of the most respected climate scientists in America, <u>John Holdren</u>, as the president's chief advisor on science and technology. President Obama has also used his executive authority to begin implementing a series of measures to regulate greenhouse gas emissions, pushed the U.S. Congress to pass comprehensive clean energy and climate change legislation, and elevated climate change to a top priority in the United States' international diplomacy agenda through bilateral and multilateral forums.

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The White House announced last week that President Obama will attend the Copenhagen climate conference and is "prepared to put on the table" an emissions reduction target in the range of 17 percent below 2005 levels in 2020. This target may disappoint some parties, but the president stands firm in his commitment to a long-term goal of reducing emissions 83 percent by 2050 – an amount that matches as the ambition expressed in a joint communiqué from last July's G-8 summit in Italy, and the Intergovernmental Panel on Climate Change's recommendation for reductions from developed countries. The U.S. 2020 target in this respect iterates a pathway to this 2050 goal by identifying milestones that would be reached along the way, including a 30 percent reduction below 2005 levels in 2025 and a 42 percent reduction below 2005 in 2030.

President Obama <u>made clear in Beijing</u> that he is going to Copenhagen seeking not just "a partial accord or a political declaration, but rather an accord that covers all of the issues in the negotiations, and one that has immediate operational effect." This is not empty rhetoric but a logical extension of the leadership he has already demonstrated on this issue. We outline examples of the Obama administration's initiatives below. They serve as an indication of the United States' potential to serve as a sound partner for the global community on climate change and clean energy.

## **Executive actions**

The United States has failed to offer a constructive contribution to the international climate negotiations for the past eight years. Our emissions have increased over the last decade and there has been no national leadership on climate change while U.S. cities and states have attempted to move forward to address the problem and work toward a transition to a clean energy economy. Only now are we seeing a critical mass of congressional members realizing that the United States stands to lose any competitive edge in clean energy technology to European nations and China. Yet the United States has done more to rectify this lapse in the last 10 months under President Obama's leadership than it has in the last 12 years.

#### Setting the stage for EPA regulation, if Congress does not pass regulation

The U.S. Environmental Protection Agency under President Obama's leadership made a proposed finding last spring that greenhouse gases contribute to air pollution that endanger



public and environmental health. EPA Administrator Lisa Jackson announced this "endangerment finding" on December 7, 2009, giving the administration the authority to regulate greenhouse gases under the Clean Air Act and legally obligate them to do so. Once the endangerment finding goes into effect, any American citizen can press the legal case for administrative action.

President Obama and EPA Administrator Lisa Jackson have repeatedly declared their preference for curbing carbon pollution through legislation rather than executive action since regulating carbon pollution through the Clean Air Act would be straightforward for some sources but more difficult for others. But EPA regulation remains a powerful executive tool that the administration can use should climate legislation fail to pass through Congress. It also provides an avenue for the president to insure that the United States can meet its international commitments to reduce carbon emissions in the event that Congress does not present a unified bill for him to sign by the time a new international agreement is ready for final approval.

## Higher fuel efficiency standards

The Obama administration's Department of Transportation established higher fuel efficiency standards in May – known as the Corporate Average Fuel Economy standards – that will reach 35.5 miles per gallon by 2016. At the same time, the EPA, using its power to regulate carbon dioxide emissions, set a tailpipe emissions standard of 250 grams per mile for vehicles sold in 2016, down from 380 grams per mile in 2009, and roughly equivalent to what vehicles meeting the new mileage standard would emit. This will result in a cumulative decrease of 165 megatons of CO2 by 2016. The new standards could reduce greenhouse gas emissions by 900 million metric tons, equivalent to taking 177 million cars off the road.

## Aggressive efficiency standards for household and commercial appliances

President Obama ordered the Department of Energy in February to implement more aggressive energy efficiency standards for household and commercial appliances. The 22 categories of appliances covered include microwaves, kitchen ranges, dishwashers, and light bulbs. These standards could translate over the next three decades into energy savings equivalent to the energy produced by all U.S. coal-fired power plants in two years.



## A program to lease federal waters for renewable energy projects

The president established a new program in April through the Department of Interior to authorize the leasing of federal waters on the Outer Continental Shelf for offshore wind, ocean current, and other renewable energy projects. <u>Offshore renewable energy</u> offers huge potential when developed in an economic and environmentally sound manner. Taking advantage of this opportunity could create some 1,900 gigawatts of wind energy off the U.S. coast according to the National Renewable Energy Lab.

### Comprehensive greenhouse gas measurement

The president announced at the September opening of the United Nations in New York City that the EPA will also launch a program for the comprehensive <u>measurement and regulation of</u> <u>greenhouse gases</u>. Under a proposed rule, EPA would require 10,000 industrial sites and petroleum product suppliers to track their emission levels beginning in January 2010 and report the data beginning in 2011. The reporting would cover some 85 percent of U.S. greenhouse gas emissions.

The significance of this action cannot be overestimated. If the United States is to join a binding international treaty on limiting emissions, it needs to demonstrate capacity to be as compliant as any other signatory party. A publicly accessible comprehensive carbon inventory is a necessary condition for a rigorous regime of international compliance and a step toward insuring that our allies can make sure we are meeting our commitments.

#### Legislative actions

President Obama has positioned himself to exercise the full extent of his executive authority in curbing greenhouse gas emissions, but a more effective legal basis for such regulation can only be assured through cooperation with the U.S. Congress. This requires the administration to work actively with congressional leaders on a common agenda.

Upon election President Obama faced a remarkably large legislative agenda, including comprehensive overhaul of the nation's broken health care system, the need to extricate the country from two wars, and the effects of a historic economic downturn. The administration



managed nonetheless to work with Congress – an institution not known for the efficiency of its operations – to pass an impressive array of clean-energy policies as part of the stimulus package at the beginning of the year. The House of Representatives also successfully passed a comprehensive clean energy bill, and the Senate passed two companion bills out of committee.

Many of our allies have been disappointed that the U.S. government did not pass clean energy legislation prior to the Copenhagen summit. But even if the Senate had passed and voted a bill out of the chamber this year, there would still be months of legislative processes before the bill reached the president's desk for his signature. The reconciliation process between the two houses is expected to take months, no matter how soon the Senate finishes a companion bill to the Waxman-Markey legislation. The possibility that Congress could have been finished its full process prior to Copenhagen was virtually zero.

It is therefore a welcome development that the president decided to embrace the Danish "twostep" proposal – to finalize an interim agreement in Copenhagen and then commit his administration to spending the next year turning this into a final and fully ratifiable treaty. The additional time we now have to complete our domestic legislative process will prove critical to successfully forging a new international agreement. We should nonetheless be celebrating the fact that our legislative process has advanced as far as it has in such a short amount of time.

## The American Recovery and Reinvestment Act

Many do not realize that President Obama already signed the largest piece of energy legislation, prior to the bill that passed the House of Representatives last summer. The American Recovery and Reinvestment Act, signed into law last February, includes more than <u>\$80 billion in clean-energy investments</u>, including \$11 billion for a bigger, better, and smarter electricity grid; \$5 billion for low-income home weatherization projects; \$4.5 billion to green federal buildings and cut energy bills; \$6.3 billion for state and local renewable energy and energy efficiency efforts; \$600 million in green job training programs; and \$2 billion in competitive grants to develop the next generation of batteries to store energy. This bill represents the United States' largest ever investment in renewable energy, and will double our generation of renewable energy in three years.



## The American Clean Energy and Security Act

The U.S. House of Representatives passed the landmark American Clean Energy and Security Act of 2009, H.R. 2454, on June 26, 2009. This legislation would establish an economy-wide cap-and-trade system with the target of reducing emissions to 17 percent below 2005 levels by 2020, and 83 percent below 2005 levels in 2050.

Analysis by the World Resources Institute suggests that the bill's complementary provisions – including spending on international forestry projects, industrial performance standards, residential energy efficiency measures, and international offsets – could result in actual emissions reductions of up to 23 percent below 1990 levels by 2020. This would bring the United States in line with European Union ambitions and, if these provisions are recognized, trigger the European Commission mandate to increase reductions to 30 percent below 1990 levels if the United States makes a comparable effort.

Analysis of this bill also demonstrates that its emissions reduction of 83 percent below 2005 levels by 2050 is roughly equivalent to the EU's commitment to 80 percent cuts below 1990 levels during that same period, which meets the IPCC's requirements for developed countries. These findings demonstrate that nominal emissions reduction targets associated with formal caps do not capture the full effect of all national energy and climate policies.

## The American Clean Energy Leadership Act and Clean Energy Jobs and Power Act

The Senate is currently considering several measures to address energy and climate. The American Clean Energy Leadership Act, S. 1462, sponsored by Senator Jeff Bingaman (D-NM), was passed by the Senate Energy and Natural Resources Committee in June. Key provisions of this bill include rules that would establish a federal renewable portfolio standard of 15 percent by 2021, build a national smart transmission grid, and establish enhanced financing channels for clean-energy projects. The Clean Energy Jobs and Power Act, S. 1733, cosponsored by Senators John Kerry (D-MA) and Barbara Boxer (D-CA), was recently approved by the Committee on Environment and Public Works. It is closely modeled on the American Clean Energy and Security Act, but has a cap based on greenhouse gas reductions of 20 percent by 2020 and 83 percent by 2050 from 2005 levels.



### New developments in the Senate

Recent concerns that 60 votes do not currently exist for the Clean Energy Jobs and American Power Act has prompted some senators to propose alternative plans. The most noteworthy initiative is one in the works by Senators John Kerry, Lindsey Graham (R-SC), and Joseph Lieberman (I-CT) – a prominent Democrat, Republican, and Independent respectively. These senators have initiated discussions with the administration and senators not represented on the six committees with jurisdiction over climate and energy legislation. The compromise being outlined in this "parallel track" approach would feature a cap-and-trade program and more support to offshore drilling, clean coal, and nuclear power, which many Republicans support as part of a U.S. strategy on energy security.

These efforts, taken together, bode well for the Senate finishing a companion piece of legislation to meet the House bill in the spring followed by a final reconciliation process over the summer. We estimate that a successful process will result in a bill ready for President Obama to sign in early fall 2010.

#### **International actions**

Finally, the Obama administration and members of Congress have launched efforts aimed at strengthening international agreements on energy and climate that will build capacity to support the ongoing international climate treaty process.

## The Major Economies Forum on Energy and Climate

President Obama re-launched the <u>Major Economies Forum on Energy and Climate</u> in March 2009, creating a new dialogue among 17 of the largest developed and emerging economies on combating climate change and promoting clean energy. The MEF has met every month since and <u>announced</u> at the July L'Aquila summit important new agreements to support the U.N. climate talks, including a consensus to limit global average temperatures to no more than two degrees Celsius above pre-industrial levels, a commitment that developed countries should cut emissions 80 percent by 2050, and a new Global Partnership initiative to promote clean energy technologies.



### Agreements to phase out fossil fuel subsidies

President Obama spearheaded an agreement at the Pittsburgh G-20 summit in September for member nations to <u>phase out their fossil fuel subsidies</u> over the medium term and work with other countries to do the same. <u>Asia-Pacific Economic Cooperation nations</u> followed suit this month, expanding the number of countries committing to reduce subsidies. The International Energy Agency estimates that this measure can reduce global greenhouse gas emissions 10 percent or more by 2050.

#### **Bilateral cooperation**

The U.S. is accelerating its bilateral collaboration with major emitting countries such as <u>China</u>, <u>India</u>, <u>Mexico</u>, <u>Canada</u>, and other key international partners to combat climate change, coordinate clean-energy research and development, and support the international climate negotiations. President Obama worked with China and India, in particular, to secure commitments to "full transparency" in implementing "significant mitigation actions" and to "stand by these commitments."

The United States will help China create a robust, transparent, and accurate greenhouse gas inventory and enhance environmental governance in India by assisting in creating a new Indian National Environmental Protection Authority. These initiatives also lay the groundwork for a regime of measurement, reporting, verification, and eventual compliance with a new international climate agreement.

#### Partnerships in the Americas

President Obama proposed a partnership with America's neighbors in the western hemisphere at the <u>Fifth Summit of the Americas</u> in April to advance energy security and combat climate change. An early product of this cooperation is Chile's Renewable Energy Center, which receives technical support from the U.S. Department of Energy.

#### North American Leader's Declaration to reduce hydrofluorocarbon emissions

The United States agreed with our NAFTA partners Canada and Mexico in August to collaborate on a variety of clean-energy and climate change initiatives, including one to <u>phase down</u>

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emissions of hydrofluorocarbon, a very potent greenhouse gas, under the Montreal Protocol. This would amount to about 10 percent of the emission reductions necessary to cut global greenhouse gas emissions to half their current levels by 2050, according to the White House.

### Allowances for international climate adaptation

Both H.R. 2454 and S. 1733 set aside allowances for international adaptation, reducing deforestation in developing countries, and clean technology deployment in developing countries. These allowances will amount to 8 percent of all available allowances in the House bill in 2012. This is equivalent to 370.2 million carbon allowances, or \$10.4 billion dollars at the minimum price of \$28 per allowance. The figures in S. 1733 are similar. And in the short term the administration is expanding its departmental appropriations budgets to ensure that it will be able to provide sufficient funding for a significant contribution to the U.N.'s adaptation fund to meet the needs of the poorest countries already suffering from the effects of global warming.

### The International Climate Change Investment Act

Senator John Kerry just this month introduced the International Climate Change Investment Act, which serves as the foundation to the United States' commitment for international assistance to meet key elements of the Bali Action Plan. This bill provides assistance to the most vulnerable developing countries for climate chance adaptation; deployment of clean-energy technologies and reduction of energy poverty in developing countries; and financial and capacity-building assistance to reduce deforestation and forest degradation. These measures will achieve emissions reductions of at least 720 million tons of carbon dioxide equivalent in 2020 and a cumulative amount of at least 6 billion tons of carbon dioxide equivalent by 2025. The bill also contains important mechanisms for detailed reporting and monitoring of the results of these investments, restricting assistance to countries with effective compliance mechanisms for emissions reductions programs, and protecting intellectual property rights.

#### Conclusion

President Obama has initiated all of these programs despite pressure on all fronts to attend to other urgent issues such as health care reform, extricating from two wars in the Middle East, and trying to revive an economy under the throes of a financial meltdown. But whatever success the



Obama administration achieves with these initiatives in the short term or long term is highly dependent on the support of the global community.

Success in Copenhagen over the next two weeks will not only be a matter of meeting the mandate that the Danes are proposing for an interim agreement and achieving consensus on the substance of that agreement. It will also depend on whether the very idea of an interim agreement – something critical to give the United States and the rest of the world time to finish their work – is considered an acceptable outcome at Copenhagen.

What we must keep in mind is that, whatever the outcome of the meeting or the substance of the interim agreement, there will be many parties determined to pronounce Copenhagen an utter failure – including some who are against any action on climate change. But their success would doom the prospects of getting a final agreement finished in 2010 and having a replacement agreement ready once the Kyoto Protocol's first commitment period ends in 2012.

If the story coming out of Copenhagen is that it is already a failure only because the meeting will not produce a final treaty, then many in the United States will use that message to argue that we should abandon our efforts to finish our domestic congressional legislation. If the outcome at Copenhagen helps to kill the prospects for U.S. domestic legislation, then it will be more difficult for the Obama administration to maintain momentum toward a new international agreement through 2010.

An endorsement of how far the United States has come in such a short amount of time – and support to ensure that the outcome at Copenhagen is the start of a successful process that we will finish in the near term – is essential to bringing closure to the United States' legislative process, encouraging the Obama administration's efforts to rejoin the world on this issue, and maintaining the progress toward an effective and just international agreement.

Washington, DC / December 9, 2009