

GEORGETOWN LAW

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State and regional climate action

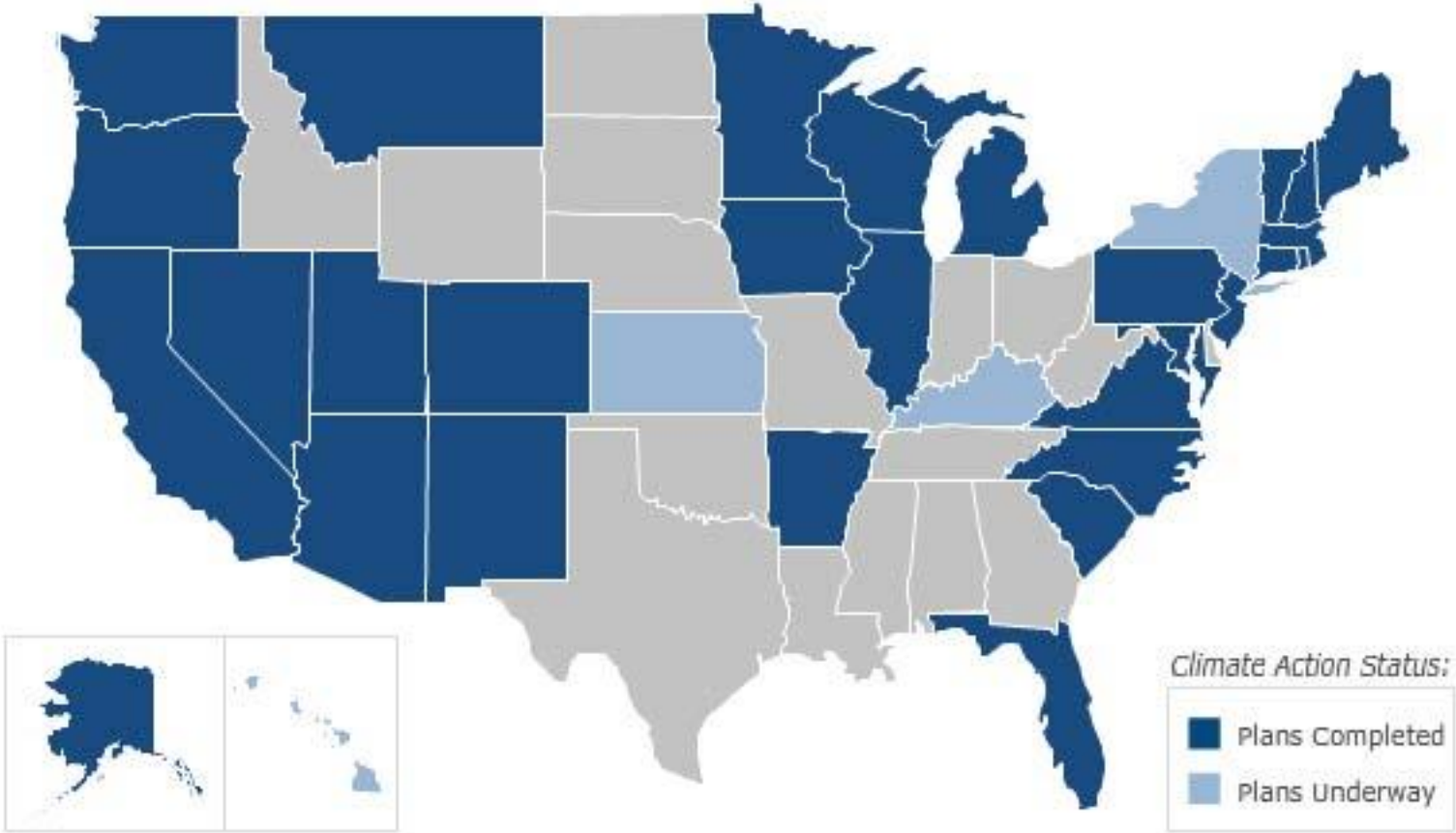
Tuesday, March 23, 2010

**Resurrecting the Patchwork Strategy
Center for Strategic and International Studies
Washington, DC**

Why State Action?

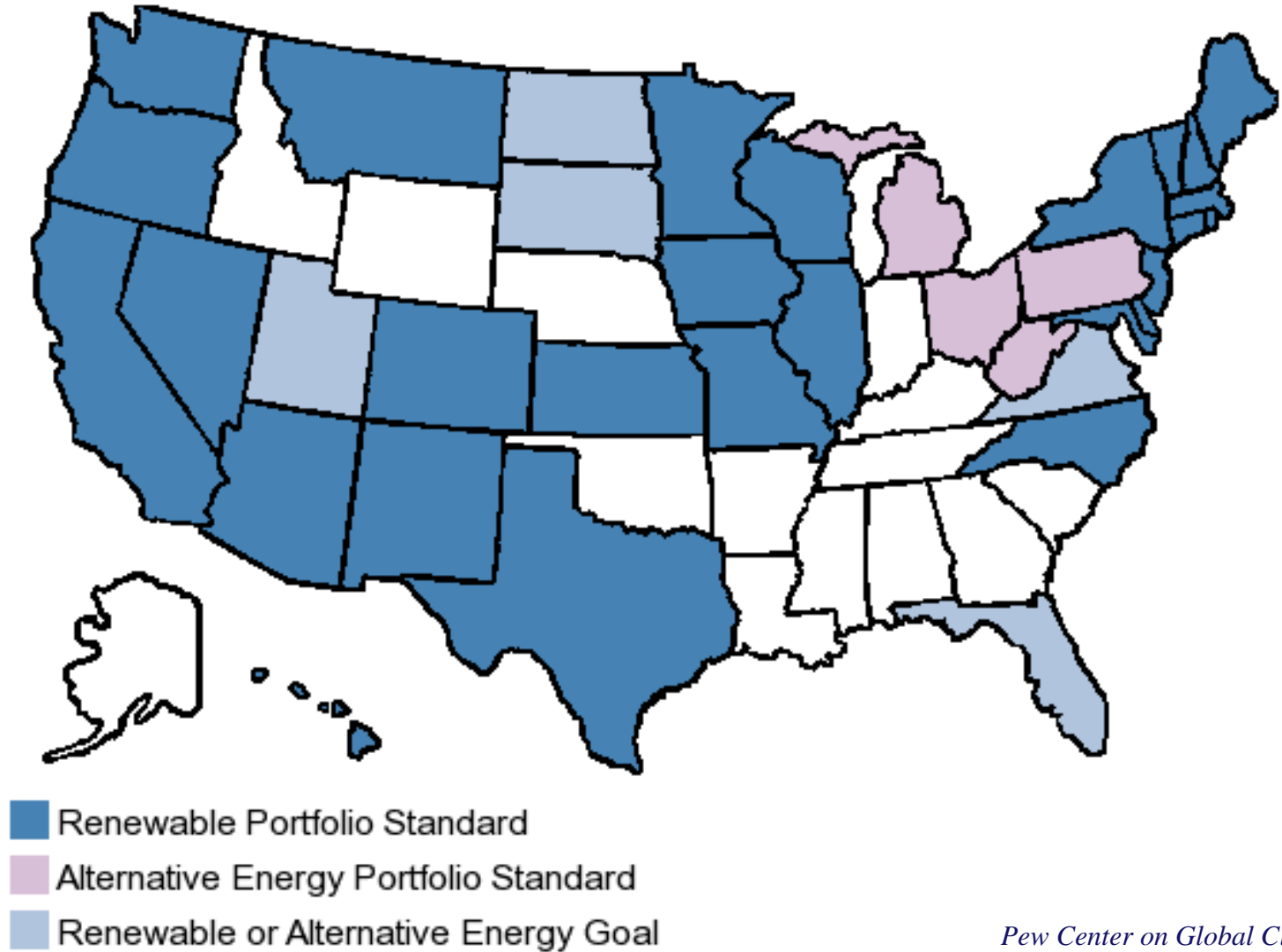
- **Energy supply and independence**
- **Economic development opportunity (jobs jobs jobs)**
- **Concern about climate change**
- **Energy price volatility**
- **Air quality**
- **Exercising traditional authorities (land use, transportation, utility regulation)**
- **Front lines for observed impacts of climate change (adaptation)**

State Climate Action Plans



Center for Climate Strategies

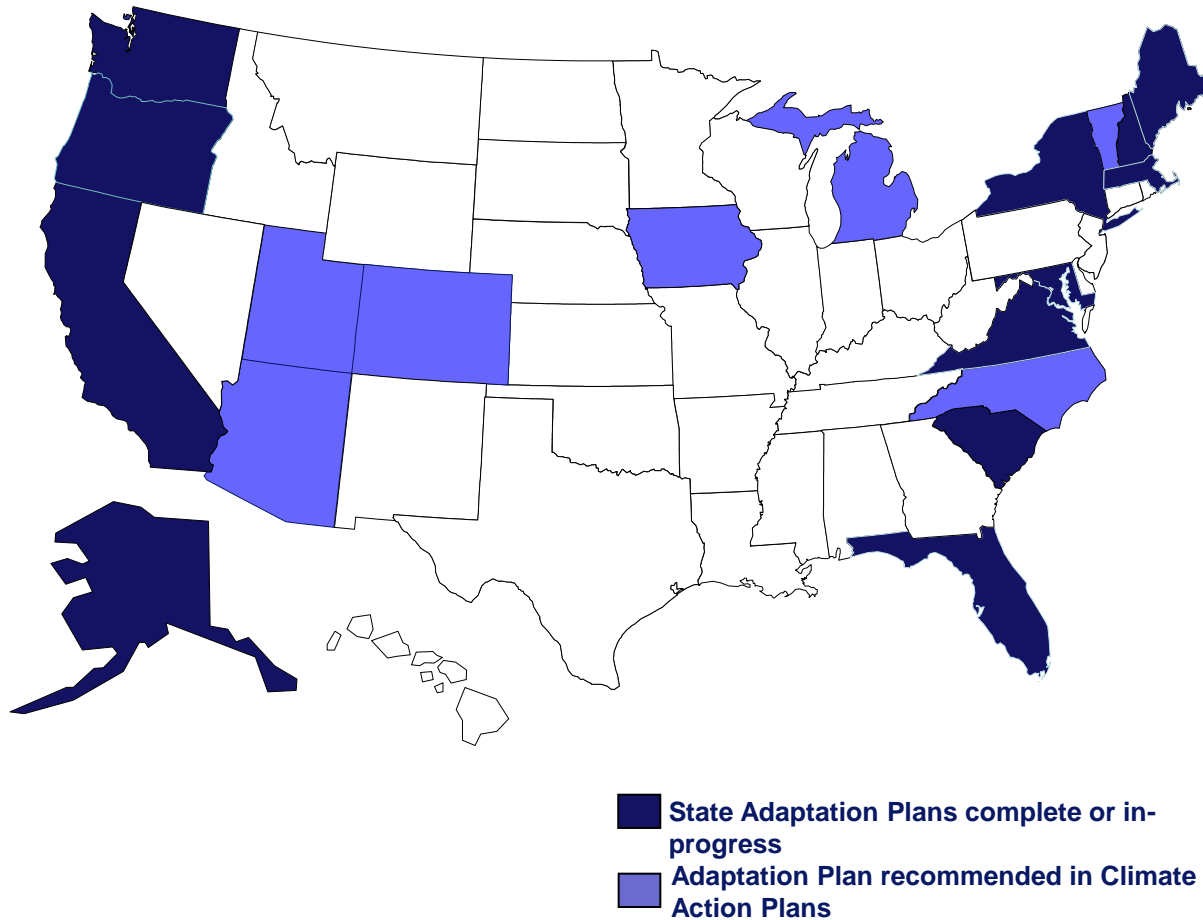
Renewable Portfolio Standards



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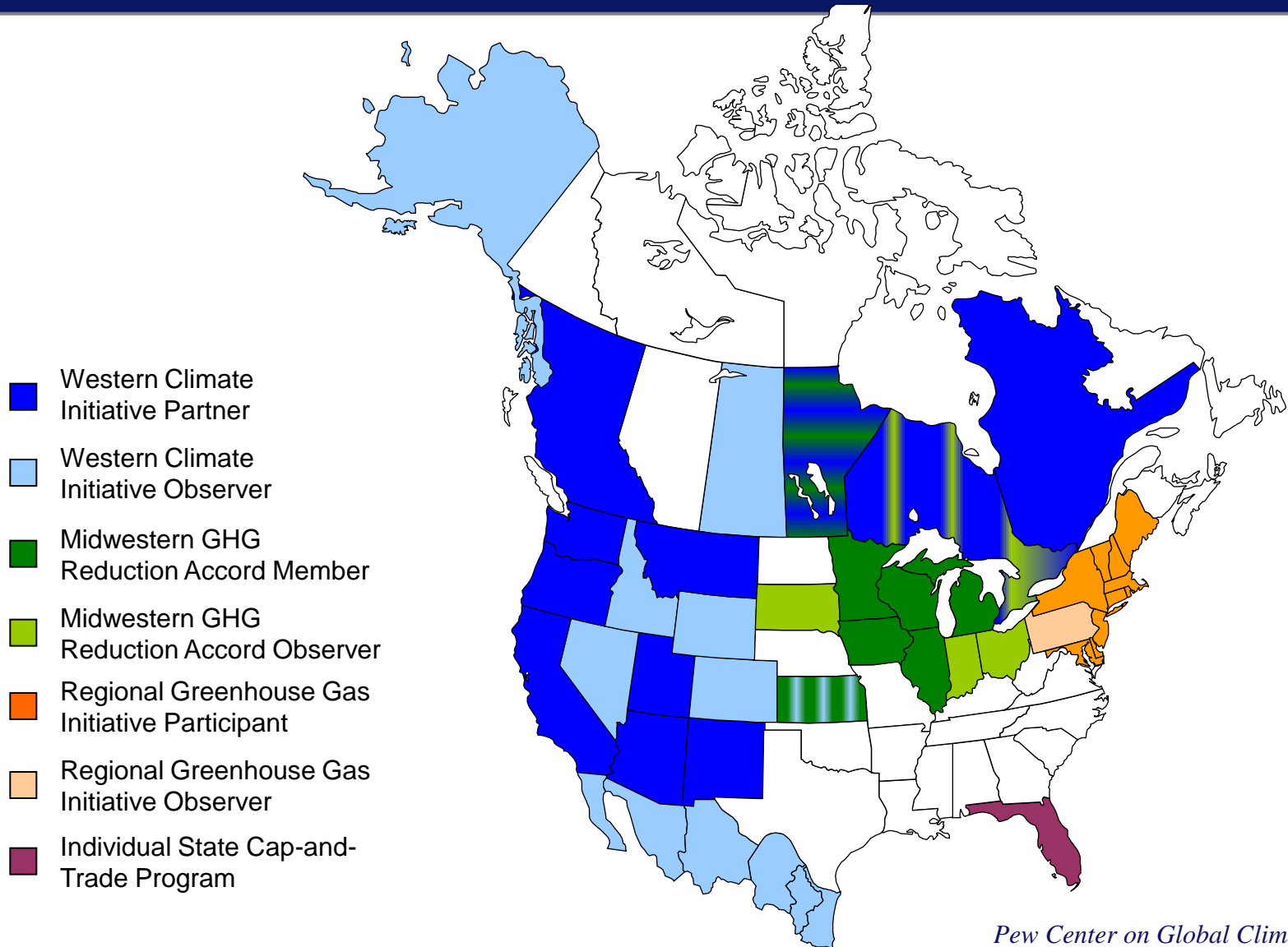
Adaptation Planning Efforts

12 states have started or completed adaptation planning



Adapted from Pew Center on Global Climate Change

Regional Cap-and-Trade Initiatives



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Regional Greenhouse Gas Initiative

The first mandatory, market-based system to reduce greenhouse gas emissions in the U.S.

- **Power sector emissions capped at 2000-2002 levels from 2009-2014, reduced by 2.5% per year 2015-2018 for total reduction of 10%**
- **Nearly all allowances auctioned instead of free allocation**
- **Multi-year compliance period and unlimited banking of allowances to buffer volatility in emissions**
- **Over 200 power plants regulated across 10 Northeast and Mid-Atlantic states**

RGGI auctions have proven to be an effective way to allocate CO₂ allowances

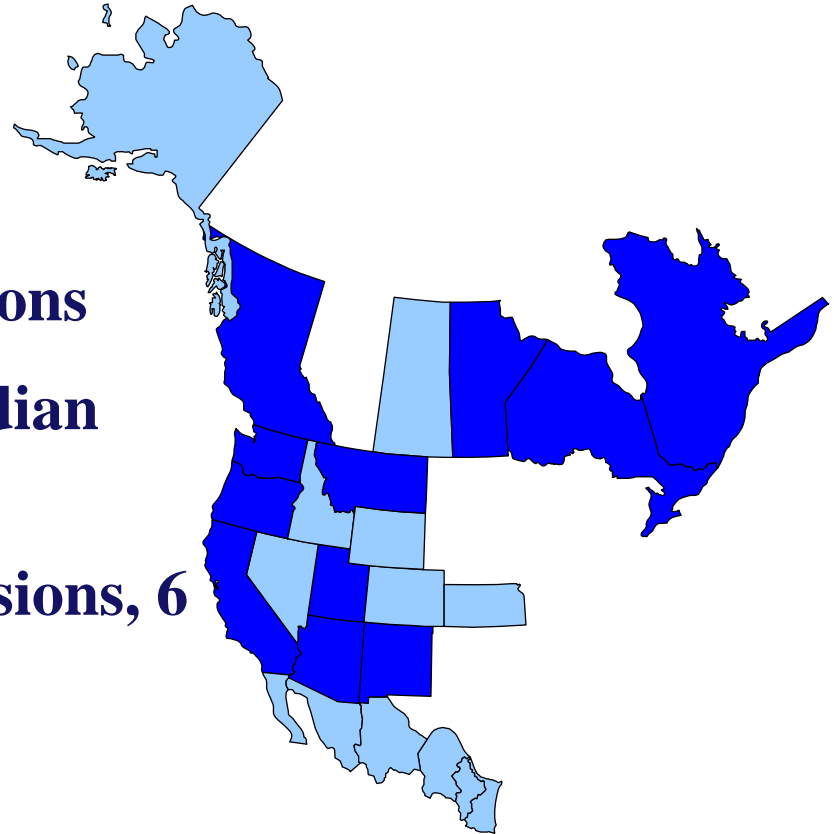
- **Seven auctions; More than 200 million allowances sold**
- **Allowances delivered to those who need them (77%+ sold to compliance entities)**
- **Market monitor: Auction process is “fair” “competitive” “transparent”**
- **RGGI auctions a template for federal legislation**

Strategic investment of auction enable further GHG reductions and builds the clean energy economy

- Auctions have produced more than \$580 million for reinvestment in complementary programs**
- Nine out of ten states are investing over 80 percent of proceeds in energy efficiency and renewable energy, reducing energy demand and diversifying energy supply**
- Maine Governor John Baldacci attributed creation of 1,000 jobs to RGGI.**
- “The programs funded with RGGI proceeds are currently supporting approximately 200 full-time jobs in New Hampshire,” – Clifton Below, New Hampshire PUC**
- “The investments we are seeing in renewable energy, in energy infrastructure, appear to be the largest wave of capital investment in the state’s history.” – David Littell,**

Western Climate Initiative

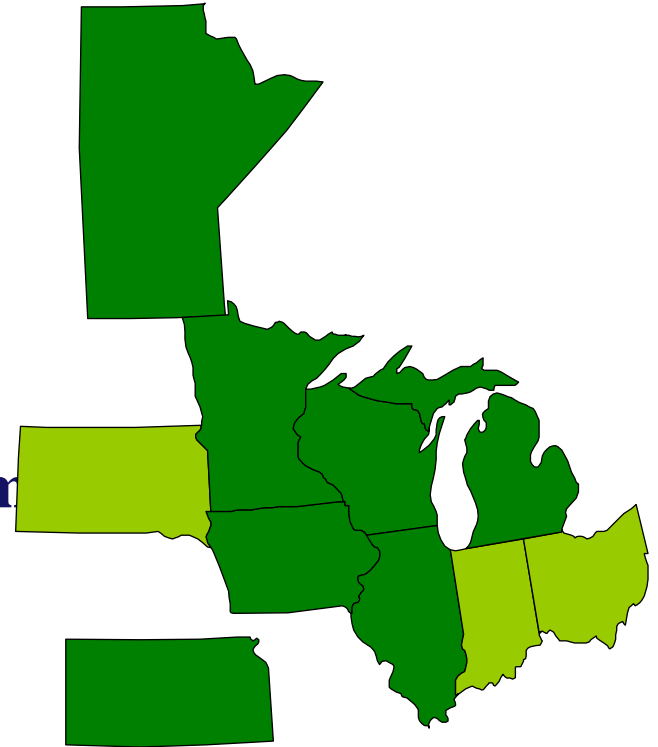
- Includes 7 US states,
4 Canadian provinces,
13 observers
- States emit ~13% of US emissions
- Provinces emit ~50% of Canadian emissions
- Program covers ~90% of emissions, 6 GHGs from:
 - Electricity
 - Transportation
 - Industrial sources
 - Commercial & residential fuels



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Midwest GHG Reduction Accord

- Includes 6 U.S. states,
1 Canadian province, 3 observers
- Participating states emit ~14% of U.S. emissions
- Draft recommendations include:
 - Multi-sector cap-and-trade program
 - GHG reduction target of 18-20% below 2005 levels by 2020; long-term target of 80% below 2005 levels by mid-century
- Currently finalizing modeling before making final changes to program design/model rule



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Three Regions Dialogue

In total, 23 US states are in regional climate initiatives, accounting for 37% of U.S. emissions, 48% of U.S. population, 52% of U.S. GDP

3-regions dialogue provides:

- **Opportunity to share insights/experiences**
- **Information exchange: compare notes on a variety of design issues**
- **Support a federal program and inform its design**
- **Consider opportunities to link programs**
- **Discuss emerging opportunities/concerns**

Embracing the Patchwork

Benefits of state policy, even with a federal program

- **Complementary policies (e.g., energy efficiency) can reduce the costs of meeting federal goals**
- **Policy innovation provides lessons for federal and international actors**
- **States can address sectors beyond federal reach (e.g., land use, forestry, utility regulation, building construction, transportation, and recycling)**
- **States provide policies tailored to meet local goals and needs (including local resources and climate impacts)**
- **States provide a backstop for federal policies that prove too weak or meet with delays, and a catalyst for future action**
- **Increased investment stability: Multiple levels of policy can provide more certainty. A single piece of federal legislation or regulation would be unlikely to derail federal, state and local efforts**

Contact Information

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