

Summary of Market-Based Climate Change Bills Introduced in the 111th Congress

Draft as of May 26, 2009

| | Who's Regulated | Allowance Allocation | Cost Containment | Offsets | Technology | Competitiveness |
|------------------------------|---|---|--|--|--|---|
| Larson (H.R. 1337) | Economywide tax: fossil fuels taxed by CO ₂ content at production and import points. (About 80% of US GHG emissions.) 80% emissions reductions by 2050. | 1/6 of revenues to R&D, 1/12 to industry transition assistance (with phase out), remainder to payroll tax rebates. | \$15/ ton CO ₂ , rising \$10 plus inflation annually. Non-attainment years increase by \$15/ton. | Tax refunds for domestic offsets, sequestrations and HFC destruction projects. | 1/6 of tax revenues (up to \$10B annually) for clean energy technology R&D. | Tax applied to fossil fuel imports and fossil fuel exports are exempt with border adjustments. |
| Doggett (H.R. 1666) | To accompany economywide cap: all facilities that emit GHGs and would be covered by any cap-and-trade system (About 85% coverage of GHG emissions). Meant to improve price predictability. | Quarterly auctions annually; price set by Climate Program Oversight and Coordination Board. All revenue deposited in Auction Revenue Trust Fund. No language related to fund allocation. | Climate Program Oversight and Coordination board to set annual target emissions price target from 2012-2020 in 2012 based on yearly cap. Price can change based on yearly performance review. Banking: 5% previous year's emissions. | No provisions. | No provisions. | No provisions. |
| Waxman-Markey (H.R. 2454) | Economywide cap: electricity and industrial facilities at emitters; producers and importers of fossil fuels and F-gases; NG distributors (Over 85% of U.S. GHG emissions covered. Entities that emit less than 25,000 tons CO ₂ e annually are exempt. HFC and black carbon regulated separately. Coverage phase-in for industry (2014) and NG distrib (2016). 83% emissions reductions by 2050. | In 2012, 85% of allocations will be given away, including 30% to LDCs, 5% to merchant coal generators, 15% to trade-intensive industries, 15% to protect low income households, 11.5% to states, 9% to NG distributors, 3% to car companies, 5% to stop tropical deforestation, 4% for domestic and international adaptation. Most allocations phase out by 2030. | Reserve auction of 1% of total cap in 2012, rising to 3% by 2050. Reserve price twice 2012 allowance price for that year; by 2015 price will be 60% above rolling 36-month ave. daily reserve price. Borrowing: up to 15% borrowing, 5-yr limit, no interest for next yr, then 8% ann. interest. | 1 offset credit = 1 allowance until 2018, then 1.25 international offset = 1 allowance. Total offsets cannot exceed 2 billion tons, 50% domestic and 50% int'l, though int'l can increase up to 1.5 billion if domestic totals are not reached. Offset Integrity Advisory Board will monitor program integrity. Non-sequestration offsets expire after at most 10 yrs. | Up to 15% renewable electricity standard and 5% improved energy efficiency standard by 2020 ; electric vehicle deployment and infrastructure development; incorporate Smart Grid tech into Energy Star and appliance rebate programs; energy efficiency through state building code, appliance, utilities and industry programs. | Rebates for energy or trade-intensive industries, determined by direct compliance effects and product of emission intensity and electricity efficiency factors. President can institute border adjustments to correct any further imbalances. |
| McDermott (H.R. 1683) | Economywide cap: greenhouse gas (fossil fuels) producers and oil refineries; non-burning ag practices exempted. 82% emissions reductions by 2050. | Permits issued by Sec. of Treasury for set price. Sec. must publish 5-yr price schedule, which can be altered twice in the first period and once in later periods. Trust Fund to redistribute proceeds. | Sec of Treasury can issue additional permits as determined. Allocations reduced correspondingly in next 5-yr period. | No provisions. | No provisions. | Border tax on carbon intensive goods (iron, steel, aluminum, cement, glass, paper, chemicals, etc.) equal to domestic costs. Expires when exporting country takes equivalent carbon reduction measures. |
| Van Hollen (H.R. 1862) | Economywide cap: first seller of fossil fuels as defined by Sec. of Treasury and EPA Admin. 85% emissions reductions by 2050. | At least 4 auctions annually to only covered entities, limits on number of permits that can be purchased and held. Healthy Climate Trust Fund est. to redistribute auction proceeds to taxpayers. | Unlimited banking from next vintage year; no expiration date. Borrowing can occur when auction price exceeds 100% of 2-yr average price. Total cannot exceed 8% of available credits. Equivalent reduction from credits available in 2030-2050. | Equivalent permits allocated to entities w/ verified amounts of sequestered carbon. | No provisions. | |
| Inglis (draft text) | Economywide tax: coal, oil, and natural gas products (95% of US production). Starting at \$15 in 2010, increasing to \$100 by 2040. | Tax revenues used to offset social security taxes. | \$15/ton CO ₂ , rising 6.5% plus inflation annually. | Tax refunds for carbon sequestration. | No provisions. | Equivalent tax on imported carbon products. |

Emissions Reduction Paths of Legislation Proposals in the 111th Congress

