

Administration Climate Policy: Summary and Status

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IGES/RFF Workshop on
Climate Policy in the US and Japan

February 2004

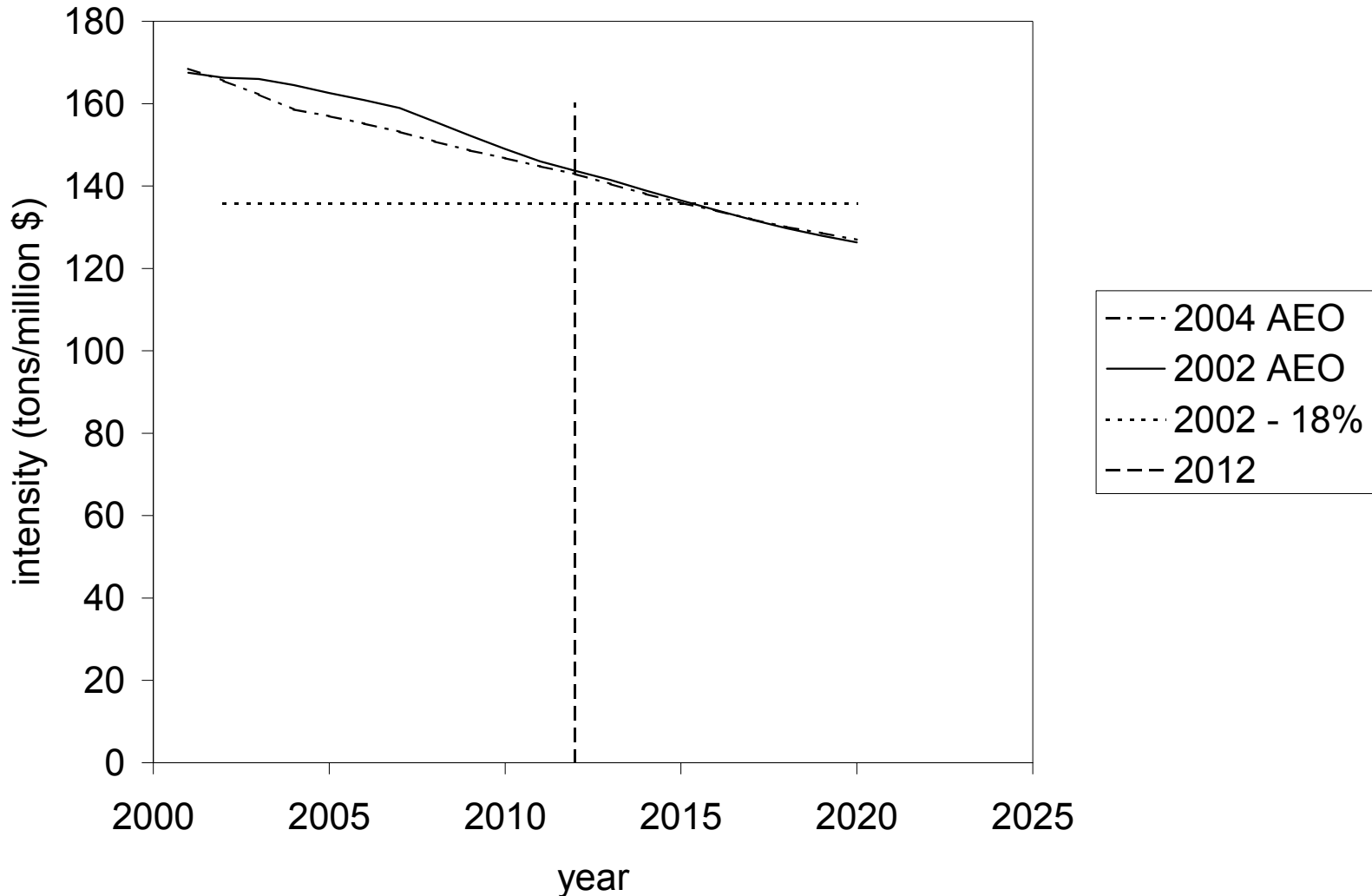
February 2002 Announcement (domestic mitigation)

- 18% intensity target but no mandatory emission controls
- Tax incentives
- Voluntary programs
- 1605(b) enhancements

18% Intensity Goal

- Intensity is a useful framework for avoiding “limits-to-growth” criticism / concern.
- May reduce uncertainty about costs.
- In 2002, represented a 4% reduction from forecast levels, or about 100 million metric tons of carbon. Similar in magnitude to other proposed (*effective*) emission limits: McCain-Lieberman; Clinton-era analysis.

18% Intensity Goal: Progress?



Tax Credits

- Production tax credit for renewable power (extension and expansion)
- Hybrid car tax credit
- Cogeneration tax credit
- Landfill gas (section 29)
- Residential solar energy
- *Proposed in 2002, 2003, 2004 budgets; not enacted but many contained in various energy bill versions.*

Voluntary Programs

- Climate Leaders
 - Set an emission goal
 - Inventory emissions
 - Report annually
 - Publicize results
- Fifty-two partners; twenty-one have set goals.

1605(b) Enhancements



July 8, 2002

The President
The White House
Washington, DC 20500

Dear Mr. President:

The Department of Energy's Voluntary Reporting of Greenhouse Gases program has been operational since 1994. The program records the results of voluntary measures to reduce, avoid, or sequester greenhouse gas emissions. In your February 14, 2002, climate change announcement, you recognized the need to enhance the greenhouse gas registry by improving the program's accuracy, reliability, and verifiability as a means of more effectively promoting innovative and effective ways to reduce greenhouse gas emissions. An enhanced registry will encourage participation by increasing confidence that actions are accurately recorded and credited.

1605(b) Recommendations (7/02)

- Develop fair, objective and practical methods for reporting baselines, reporting boundaries, calculating real results, and awarding transferable credits for actions that lead to real reductions.
- Standardize widely accepted, transparent accounting methods.
- Support independent verification of registry reports.
- Encourage reporters to report greenhouse gas intensity (emissions per unit of output) as well as emissions or emissions reductions.
- Encourage corporate or entity-wide reporting.
- Provide credits for actions to remove carbon dioxide from the atmosphere as well as actions to reduce emissions.
- Develop a process for evaluating the extent to which past reductions may qualify for credits.
- Assure the voluntary reporting program is an effective tool for reaching the 18 percent goal.
- Factor in international strategies as well as State-level efforts; and
- Minimize transaction costs for reporters and administrative costs for the Government, where possible, without compromising the foregoing recommendations.

1605(b) Proposed Guidelines (12/03)

68204

Federal Register / Vol. 68, No. 234 / Friday, December 5, 2003 / Proposed Rules

DEPARTMENT OF ENERGY

10 CFR Part 300

RIN 1901-AB11

General Guidelines for Voluntary Greenhouse Gas Reporting

AGENCY: Office of Policy and International Affairs, U.S. Department of Energy.

ACTION: Proposed rule and opportunity for public comment; proposed revised guidelines.

SUMMARY: Section 1605(b) of the Energy Policy Act of 1992 (EPACT), 42 U.S.C. 13385(b), directed the Department of Energy (DOE or Department) to issue guidelines establishing a voluntary greenhouse gas reporting program. The guidelines issued by the Department in 1994 to establish the Voluntary Reporting of Greenhouse Gases Program were intentionally flexible to encourage the broadest possible participation. On February 14, 2002, the President directed DOE, together with other involved Federal agencies, to recommend reforms to enhance this voluntary reporting program. The purposes of the proposed revised Guidelines are to establish revised procedures and reporting requirements

Washington Plaza Hotel, 10 Thomas Circle, NW., Massachusetts Avenue at 14th Street, Washington, DC 20005. You may review comments received by DOE, the workshop transcript, and any other related material at the following Web site: <http://www.pi.energy.gov/enhancingGHGregistry/proposedguidelines/generalguidelines.html>. If you lack access to the Internet, you may access this Web site by visiting the DOE Freedom of Information Reading Room, 1000 Independence Avenue, SW., Washington, DC. See Section III of the **SUPPLEMENTARY INFORMATION** section of this notice for more information about public participation in this proceeding. **FOR FURTHER INFORMATION CONTACT:** Mark Friedrichs, PI-40, Office of Policy and International Affairs, U.S. Department of Energy, 1000 Independence Ave., SW., Washington, DC 20585, or email: 1605bgeneralguidelines.comments@hq.doe.gov [Please indicate if your e-mail is a request for information, rather than a public comment.]

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I. Introduction

A. Background

Section 1605(b) of the Energy Policy Act of 1992 (EPACT) directed the Department of Energy, with the Energy Information Administration (EIA), to establish a voluntary reporting program and database on emissions of

1605(b) Comments by DAS for Policy

“We determined that we don’t have the legal authority to issue something called a transferable credit that would be – that we would – that we would ascribe value to and would – would be able to credit those that – that register those reductions that they have attained some value that is imprinted by the Department of Energy. That was convoluted.

The Department of Energy is not – is not guaranteeing through the issuance of a transferable credit that that registered reduction is valuable in the future by the federal government.”

Possible Advantages of Transferable Credit

- Provides a common currency for those concerned about future climate policy to alleviate (hedge against) future burden.
- Allows those without reduction opportunities to hedge through purchase and transfer of credits.
- Protects credits from being re-evaluated (except as a whole).

Other Elements of Administration Policy

- Increase in overall funding for science (\$1.76B) and technology (\$1.73B) in 2003.
- Specific initiatives focused on hydrogen fuel cell vehicle and clean coal technologies.
- Pursuit of bilateral international agreements.