



## Assessment of America's Climate Security Act of 2007

October 29, 2007

The bipartisan America's Climate Security Act is sponsored by Sen. Joe Lieberman of Connecticut and John Warner of Virginia.

### **Strengths**

- 1) Starting within five years, the bill will reduce global warming pollution from major emitters such as power plants and oil refineries by about two percent each year from current levels. Emissions from these sources will be reduced by 15% below current levels between 2012 and 2020. Over the longer term, the bill will reduce global warming pollution from major emitters by one-third (33%) below current levels between 2012 and 2030, and by 70% below current levels between 2012 and 2050. The bill regulates power plants, oil companies and big industrial emitters, accounting for about three-quarters of total U.S. greenhouse gas emissions. According to analysis by the Natural Resources Defense Council, due to additional measures in the legislation to strengthen building codes and appliance standards, the bill could reduce overall U.S. greenhouse gas emissions between 16-22% below current levels by the year 2020. The bill provides National Academy of Sciences reviews to assess the scientific adequacy of progress under the bill and recommend adjustments in the long-term targets to Congress.
- 2) The bill is the first to provide detailed provisions to aid a just transition to a clean energy future for low- and middle-income families. The bill returns an estimated \$350 billion to low- and middle-income consumers thru the year 2030. The funds will be used for programs such as the Low Income Weatherization Assistance Program. This funding –and all the funding for other needs in this bill – will be generated by payments from large polluters for emission permits. (Note: All dollar estimates are based on NWF calculations and will depend on the actual market prices for emissions permits, which will fluctuate over time).
- 3) The bill will provide an estimated \$150 billion thru the year 2030 to protect America's fish and wildlife, great waters, and other natural resources from the climate changes that can no longer be avoided. Funding will be distributed to well established and successful wildlife conservation and natural resource management programs at the federal and state level. Federal actions will be guided by a new comprehensive strategy to assist fish and wildlife and their habitat in adapting to and surviving the impacts of climate change.
- 4) The bill invests an estimated \$500 billion thru 2030 in zero- and low-carbon technologies to accelerate our transition to a new energy future. This funding supplements the much larger market-based incentives that will be generated from the

emission limits and trading provisions. The funding includes resources to help retool automobile manufacturing to produce cleaner, more fuel efficient cars and trucks. Advanced biofuel technologies and practices funded by the bill will need to improve or maintain habitat quality and protect scarce water supplies. Coal plants funded under the program must capture and store at least 85% of carbon emissions, as well as meet new EPA safety regulations that will be promulgated under this legislation.

- 5) The bill provides an estimated \$40 billion thru 2030 to provide access and training to a clean energy workforce that promises to create millions of new jobs in America, and to provide fair treatment for affected workers and their communities.
- 6) The bill provides financial resources to tribes to mitigate price impacts on tribal families, to protect tribal wildlife resources, to promote public transportation and energy efficiency, to address local impacts of climate change, and for other purposes.
- 7) The bill completely phases out all free giveaways to polluters, providing bipartisan support for the principle that the public has a right to a safe climate and polluters should pay to emit greenhouse gases. The bill provides the majority (approximately 60%) of revenues to public benefit purposes in the first years of the program before phasing to 100% over time.
- 8) The bill protects the rights of states to develop more stringent programs, and it provides special resources (bonus allocations) to states with more aggressive state laws than the federal system.
- 9) The bill includes new building codes designed to cut the energy usage of new homes and buildings in half by the year 2020, as well as new appliance standards.
- 10) The bill promotes domestic U.S. projects to store carbon in forests and soils, which can enhance habitat for fish and wildlife. Some of these projects will reduce the net U.S. emissions of greenhouse gases beyond the stated reduction targets (that is, help achieve even stronger net emission reductions than the targets in #1, above). The bill favors the use of native species and prevents the use of destructive invasive species to earn credits, and the bill excludes projects that harm the environment or public health.
- 11) The bill promotes efforts to protect forests globally.
- 12) The bill provides some funding for international efforts to help vulnerable human populations and natural resources adapt to, endure, or avoid negative global climate change impacts. However, these provisions should be strengthened (see “areas for improvement”).
- 13) In addition to the measures outlined above, the bill contains several important policy design elements that protect the integrity of the cap-and-trade system:

- The bill does not include the “safety valve” loophole that undermines the emissions reductions goals of some legislation.
- The bill is largely implemented and enforced by the U.S. Environmental Protection Agency.
- The bill limits the quantity of domestic offsets and largely limits the scope to forestry, agricultural and land-use projects. Projects must be real, verifiable, additional, permanent, and enforceable.
- The bill limits international trading of permits to nations with comparable emission limits in place.

### **Areas for Improvement**

- 1) The bill should set aside a strong package of financial resources to aid least developed nations with reducing their greenhouse gas emissions and protecting themselves from the climate changes that can no longer be avoided. This will also help foster international cooperation toward a global agreement to slash emissions. The bill has some significant provisions in this area from the perspective of national security that should be expanded in scale and scope.
- 2) The bill is one piece – although the most important piece – of the comprehensive set of climate and energy policies needed to fight global warming. Enacting the fuel economy (CAFE) and renewable electricity standards in the Senate and House energy bills, for example, would provide an important and complementary down payment on emissions reductions. These bills would also provide consumers with low-carbon technology options and speed technology deployment.
- 3) Current science suggests that an 80% reduction target by 2050 would be more appropriate for the U.S. to do its share of a science-based global action plan on climate. While the bill provides opportunities in the coming decades to update the 70% reduction target and accelerate the timetable, the bill could be strengthened by including the stronger long-term target.
- 4) The phase out of free allocations to industry takes too long and is not complete until the year 2035. This timetable should be shortened.