

Clark Hill

Cap-and-Trade Proposals in the 110th Congress

Bill	Scope / Point of Reg	Caps	Allocation / Revenue	Offsets /Cost Controls	Early Action	Misc.
Dingell-Boucher Discussion draft 10/7/08	6 GHG + NF3 Upstream for transport fuels & nat. gas, downstream for electric utilities & large sources	<ul style="list-style-type: none"> • 2005 baseline • 6% below by 2020 • 44% below by 2030 • 80% below by 2050 	<ul style="list-style-type: none"> • 100% auction by 2026 • Four options for value distribution (1) covered entities (2) complementary initiatives (3) adaptation (4) consumer rebates 	<ul style="list-style-type: none"> • Increasing use – 5% initially, to 35% by 2024 • Borrowing up to 15% with interest • Carbon market oversight entity created 	3% of allowances for early actors in 2012	<ul style="list-style-type: none"> • Funds for energy efficiency and clean technologies • Border adjustment provisions
Doggett H.R. 6316-6/19/08 Climate Matters Act of 2008	6 GHG Upstream for transport fuels & natural gas, downstream for large sources and large coal users	<ul style="list-style-type: none"> • 2012 baseline • 1990 level in 2020 • 80% below 1990 by 2050 	<ul style="list-style-type: none"> • 100% auction • 5% to power plants, 10% to energy-intensive manufacturers in 2012, transition to 0 by 2020 • 85% to Citizen Protection Trust for consumer assistance, adaptation, technology, early action, etc. 	<ul style="list-style-type: none"> • Increasing use – 5% initially, to 35% by 2024 • Borrowing up to 15% with interest • Carbon market oversight entity created 	1% of Citizen Protection Trust for early action in 2012, phasing to 0% by 2015	<ul style="list-style-type: none"> • Funds for energy efficiency and clean technologies • Border adjustment provisions
Markey H.R. 6186-6/4/08 Investing In Climate Action and Protection Act	6 GHG Upstream for transport fuels, downstream for electric utilities and large sources, natural gas at LDCs	<ul style="list-style-type: none"> • 2005 baseline • 2005 by 2012 • 20% below by 2020 • 85% below by 2050 	<ul style="list-style-type: none"> • 94% auction 2012-2019 • 100% auction 2020-2050 • Over 50% proceeds used for tax credits/rebates to consumers 	<ul style="list-style-type: none"> • 15% limit domestic • 15% limit on international allowances or offsets • Carbon market oversight entity created • Borrowing with 10% interest 	Goal to not penalize states and early reductions in distributing energy efficiency funds	<ul style="list-style-type: none"> • Funds for energy efficiency, clean technologies, adaptation, job training, etc • Performance standards for coal-fired power plants
Boxer-Lieberman-Warner S. 3036 (Substitute Amendment to S. 2191) Lieberman-Warner Climate Security act of 2008	6 GHG Upstream for transport fuels & natural gas, downstream for large coal users and GHG manufacturers Separate HFC cap	<ul style="list-style-type: none"> • 2005 baseline • 4% below by 2012 • 19% below by 2020 • 71% below by 2050 	<ul style="list-style-type: none"> • Increasing auction: 24.5% in 2012, to 58.75% by 2032-2050 • 4.25% set-aside for domestic agriculture and forestry • Sector Allowances: 18% to power plants; 11% to manufacturers (moving to 0%); 12.75% to electricity and natural gas local distribution co.; 15% to states 	<ul style="list-style-type: none"> • 30% limit, with categorical limits • Cost-containment auction for future allowances • Borrowing up to 15% • Carbon market oversight entity created 	5% of allowances reserved for early actors in 2012, phasing to 0% by 2016	<ul style="list-style-type: none"> • Bonus allocations for carbon capture and storage and renewables • Funds for technology, and human ecosystem adaptation • Performance and targets subject to review
Bingaman-Specter S. 1766-7/11/07 Low Carbon Economy Act	6 GHG Upstream for natural gas & petroleum, downstream for coal	<ul style="list-style-type: none"> • 2012 at 2012 • 2006 by 2020 • 1990 by 2030 • Pres. authority to change 	<ul style="list-style-type: none"> • 24% auction 2012-2017, rising to 53% in 2030 • 5% set-aside of allowances for agriculture • Some allocations: 9% to states, 53% to industry (declining to 2% per year in 2017) s 	<ul style="list-style-type: none"> • Initial categories of bio sequestration and industrial offsets • Pres. authority to allow international offsets up to 10% • Technology accelerator payment of \$12/ton, increasing 5%/yr above inflation 	1% allowances for registered GHG reductions prior to enactment, only for 2012-2020	<ul style="list-style-type: none"> • Bonus allocation for carbon capture and storage • Funds and incentives for technology R&D • Targets subject to 5-year review of new science and international action

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Waxman H.R. 1590 -3/20/07 Safe Climate Act of 2007	6 GHG Point of regulation not specified	<ul style="list-style-type: none"> • 2009 by 2010 • 1990 by 2020 • 80% below 1990 by 2050 	Determined by President, requires some auction % auction	Not specified	Goal to recognize and reward early reductions	<ul style="list-style-type: none"> • Standards for vehicles, efficiency, renewables
Kerry-Snowe S. 485-2/1/07 Global Warming Reduction Act	6 GHG Point of regulation not specified	<ul style="list-style-type: none"> • 2010 in 2010 • 1990 by 2020 • 60% below 1990 by 2050 	Determined by President, requires some auction % auction	Provisions for offsets generated from biological sequestration	Goal to recognize and reward early reductions	<ul style="list-style-type: none"> • Funds for tech R&D, consumer impacts, adaptation • Standards for vehicles, efficiency, & renewables
Oliver-Gilchrest H.R. 620-1/22/07 Climate Stewardship Act	6 GHG Upstream for transportation, downstream for electric utilities & large sources	<ul style="list-style-type: none"> • 2004 in 2012 • 1990 by 2020 • 22% below 1990 by 2030 • 70% below 1990 by 2050 	Administrator determines allocation/auction split factoring in consumer impact, competitiveness, etc.	<ul style="list-style-type: none"> • 15% limit on international and domestic • Borrowing with interest 	Credit for reductions before 2012, early actors may use offsets up to 35%	<ul style="list-style-type: none"> • Funds and incentives for tech R&D, efficiency adaptation, & mitigating effects on poor
Sanders-Boxer S. 309-1/16/07 Global Warming Pollution Reduction Act	6 GHG Point of regulation not specified	<ul style="list-style-type: none"> • 2010 in 2010 • 1990 by 2020 • 27% below 1990 by 2030 • 53% below 1990 by 2040 • 80% below 1990 by 2050 	<ul style="list-style-type: none"> • Allocation criteria include transition assistance and consumer impacts • Cap-and-trade permitted but not required 	<ul style="list-style-type: none"> • Allowed for biological sequestration • “Stop price” if prices high relative to tech options 	May recognize early reductions made under state or local laws	<ul style="list-style-type: none"> • Standards for vehicles, power plants, efficiency, renewables, & certain categories of bio sequestration
McCain- Lieberman S.280 -1/12/07 Climate Stewardship and Innovation Act	6 GHG Upstream for transportation, downstream for electric utilities & large sources	<ul style="list-style-type: none"> • 2004 by 2012 • 1990 by 2020 • 20% below 1990 by 2030 • 60% below 1990 by 2050 	Administrator determines allocation/auction split factoring in consumer impact, competitiveness, etc.	<ul style="list-style-type: none"> • 30% limit on international and domestic • Borrowing with interest 	Credit for reductions before 2012 Early actors may use offsets up to 40%	<ul style="list-style-type: none"> • Funds and incentives for tech R&D, efficiency adaptation, & mitigating effects on poor