

# **Approval of Climate Change Steering Committee Policy Recommendations:**

## **Federal Climate Change Legislation**

**Hon. Nancy Floreen, Chair  
COG Climate Change Steering Committee  
March 12, 2008**





# Major Legislative Proposals

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- *U.S. Senate* - S. 2191 - America's Climate Security Act - Sen. Warner/Lieberman
- *U.S. House* - Companion bill - being developed by Rep. Dingell and Rep. Boucher
- *Maryland SB 309* - Global Warming Solutions Bill - Sen. Pinsky



# Warner/Lieberman Bill

## Goal:

To reduce greenhouse gases (GhG) between 2007 and 2050 substantially enough to avert catastrophic impacts of climate change while also preserving the health of the economy and avoiding the hardship of citizens.





# Sets Limit on Greenhouse Gas Emissions Across Sectors

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- Caps emissions at current (2005) levels by 2012. Stabilizes growth.
- Lowers cap each year, between 2012 and 2050.
- **Result:** 62 to 70% below 2005 levels by 2050.



# “Cap and Trade”: How Does it Work?

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- “Cap and Trade” program - regulatory and market-based. Industry has flexibility in how to meet cap.
- Covered facilities need allowances to emit GhGs.
- Some given away free. Some are purchased through an auction, or traded.
- Some non-regulated entities, such as states, receive allowances -- which can be used, traded, or sold.
- Total allowances decline over time.
- Auction proceeds are given to different funds.



## Economic Impact of Bill

- Comprehensive federal legislation, including “cap and trade,” supported by many industries and businesses.
- Cong. Budget Office: program could disproportionately affect people at the lower economic scale. Costs could also be borne by fossil-fuel suppliers and energy-intensive industries.
- Stern Review on the Economics of Climate Change (British Chancellor), dealing comprehensively with climate change would cost about 1% of GDP - *not dealing with climate change would cost 20% or more of GDP.*





# Climate Change Committee

## Observations and Recommendations:

- Federal climate legislation needed to reduce risk of climate change. “Cap and Trade” most vital mechanism.
- Current bills do not include direct allocations or auction proceeds to localities/regions. Need for financial support to match challenge.
- No separate local government adaptation fund (like ecosystem adaptation fund).
- Mobile source/transportation emissions not well addressed -upstream attention on fuels - no support for programs to address increases in vehicle miles traveled.



# Resolution R13-08

1. Support goal to limit greenhouse gas emissions through strong legislation, including mechanisms, such as “cap and trade”
2. Affirm leadership of local governments and regions -- and inclusion in development of policy proposals
3. Call for financial support for local and regional greenhouse gas reduction activities and adaptation
4. Affirm that fed. policies should not pre-empt
5. Transmit resolution to policymakers