



# U.S. Climate Action

June 1, 2009

“The choice we face is not between saving our environment and saving our economy – it’s a choice between prosperity and decline. The nation that leads the world in creating new sources of clean energy will be the nation that leads the 21st century global economy.”  
– *President Barack Obama [Washington Post, April 22, 2009]*

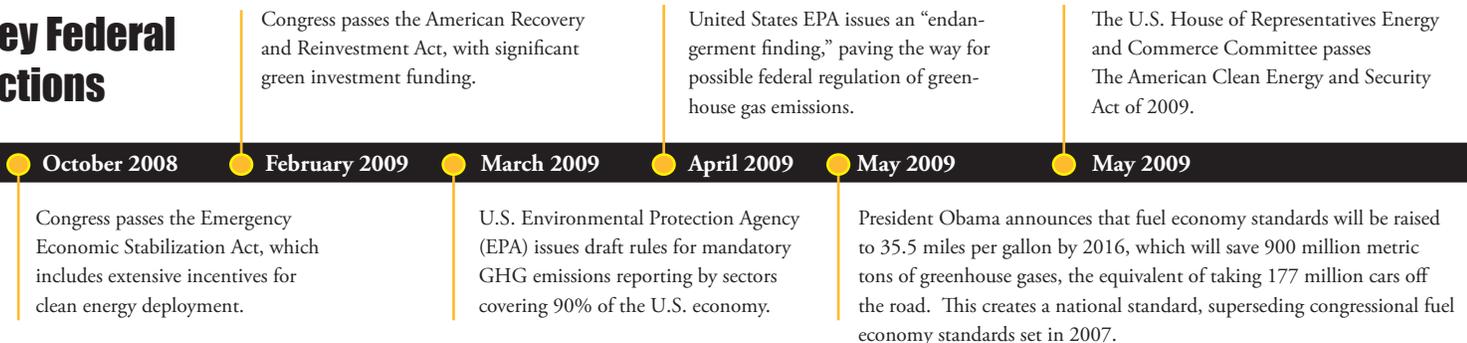
*Countdown to Copenhagen is a regular bulletin from the World Resources Institute. The authors, WRI experts on climate policy, analysis and science, explore key issues related to the UNFCCC international climate negotiations ahead of the Conference of Parties meeting in December 2009. For more information, please contact our climate communications associate, Stephanie Hanson: [shanson@wri.org](mailto:shanson@wri.org)*

Under a new presidential administration, and in the buildup to United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP) -15 in December in Copenhagen, Denmark, the U.S. government has changed course significantly in its approach to climate change. President Obama has called for a goal to reduce greenhouse gas emissions to 1990 levels by 2020 (which would equate to approximately 14% below 2005 levels).

Action to meet the president’s goal will depend on new legislation from Congress. The American Clean Energy and Security Act currently before the House of Representatives contains provisions for a national, economy-wide cap-and-trade program and a larger portfolio of legal requirements consistent with the president’s GHG reduction targets.

This flurry of activity is not isolated, but has been built on a solid foundation of policies and actions over several years by Congress, federal agencies, and state and regional governments to slow emissions growth and move the United States toward a low-carbon economy. This bulletin provides updated context for UNFCCC member countries on the full range of recent U.S. climate change actions.

## Key Federal Actions



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## EPA Endangerment Finding

On April 17, the U.S. Environmental Protection Agency released an “endangerment finding” that greenhouse gases are a danger to public health and welfare. This allows the agency to regulate greenhouse gases under the Clean Air Act, without the need for a congressional climate bill. A subsequent regulation following on this finding will likely prescribe mechanisms for regulation of greenhouse gases by the Environmental Protection Agency. The increasing likelihood of federal regulation under the Clean Air Act puts significant pressure on Congress to move forward with an emissions reduction bill.

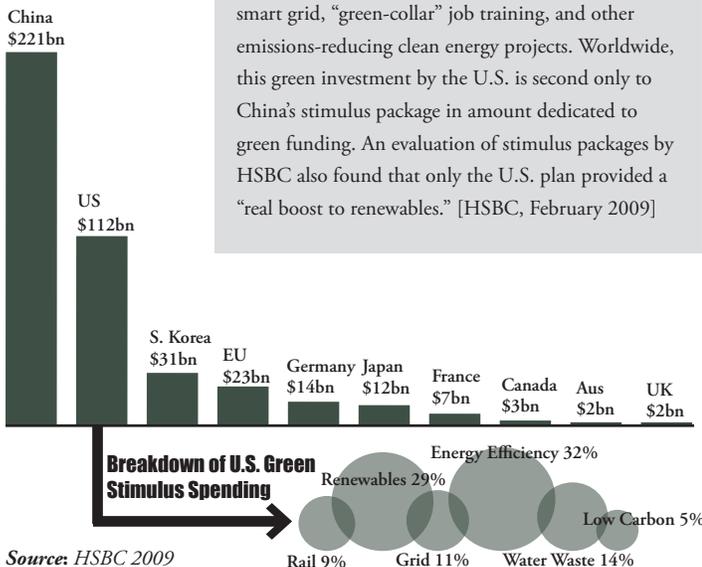
## The Green Stimulus

The United States has made green spending a key part of its stimulus packages in response to the domestic and global economic crisis.

In October 2008, Congress passed the Emergency Economic Stabilization Act, which extended existing incentives for wind, solar, and other renewable energy technologies. The bill also offered significant financial incentives for carbon capture and storage projects.

In February 2009, Congress, with the encouragement of President Obama, passed the American Recovery and Reinvestment Act (commonly known as the stimulus package), which provides at least \$112 billion for investments in renewable energy, efficiency, smart grid, “green-collar” job training, and other emissions-reducing clean energy projects. Worldwide, this green investment by the U.S. is second only to China’s stimulus package in amount dedicated to green funding. An evaluation of stimulus packages by HSBC also found that only the U.S. plan provided a “real boost to renewables.” [HSBC, February 2009]

### Green Stimulus Spending (USDbn)

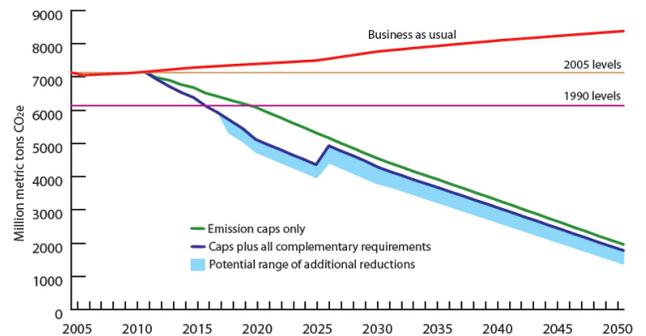


## American Clean Energy and Security Act, 2009

On May 21, 2009, the U.S. House of Representatives Energy and Commerce Committee passed the American Clean Energy and Security Act of 2009, introduced by Congressmen Henry Waxman and Ed Markey. The bill is still in the legislative process, but in its current version, implementation of the cap would reduce emissions from covered sources to 17% below 2005 levels by 2020 and 83 percent below 2005 levels by 2050. Total U.S. greenhouse emissions would be reduced, as a result, by 15% below 2005 levels by 2020 - slightly more than President Obama’s goal would achieve.

Additional measures in the bill, including performance standards on uncapped sectors and government purchases of international forest credits, would drive emissions still lower. Taking these into account, GHG emissions would fall by 28 percent below 2005 levels by 2020 and 75 percent below 2005 levels by 2050. When additional reductions from requirements related to international offsets - used for compliance with the federal cap and trade regime - are also factored in, potential emission reductions from the bill would be even greater. They could reach up to 33 percent below 2005 levels by 2020 and up to 81 percent below 2005 levels by 2050, depending on the quantity of such offsets used.

Emission Reductions Under H.R. 2454, the American Clean Energy and Security Act, 2005-2050\*  
May 19, 2009



The bill also includes funding for adaptation, REDD, and technology transfer through allowances. Five percent of the total pool of allowances would be allocated to a forest fund to finance avoided deforestation activities in developing countries, and assist in capacity development. The bill sets a target of 6 billion tons from avoided deforestation between 2012 and 2025. One percent of allowances, growing to four percent in 2027, would go to financing for international adaptation and clean development deployment respectively.

The bill also has extensive domestic provisions on clean energy, energy efficiency, and strategies for transitioning to a low-carbon economy.

The ACESA will be voted on by other House committees, then on the floor of the U.S. House of Representatives, likely this summer. The U.S. Senate is expected to write a separate climate bill which, if passed, would be combined with the House bill. To become law, the joint legislation would receive a final vote in both chambers, and then go to the president for signing. This process is very unlikely to be completed in 2009.

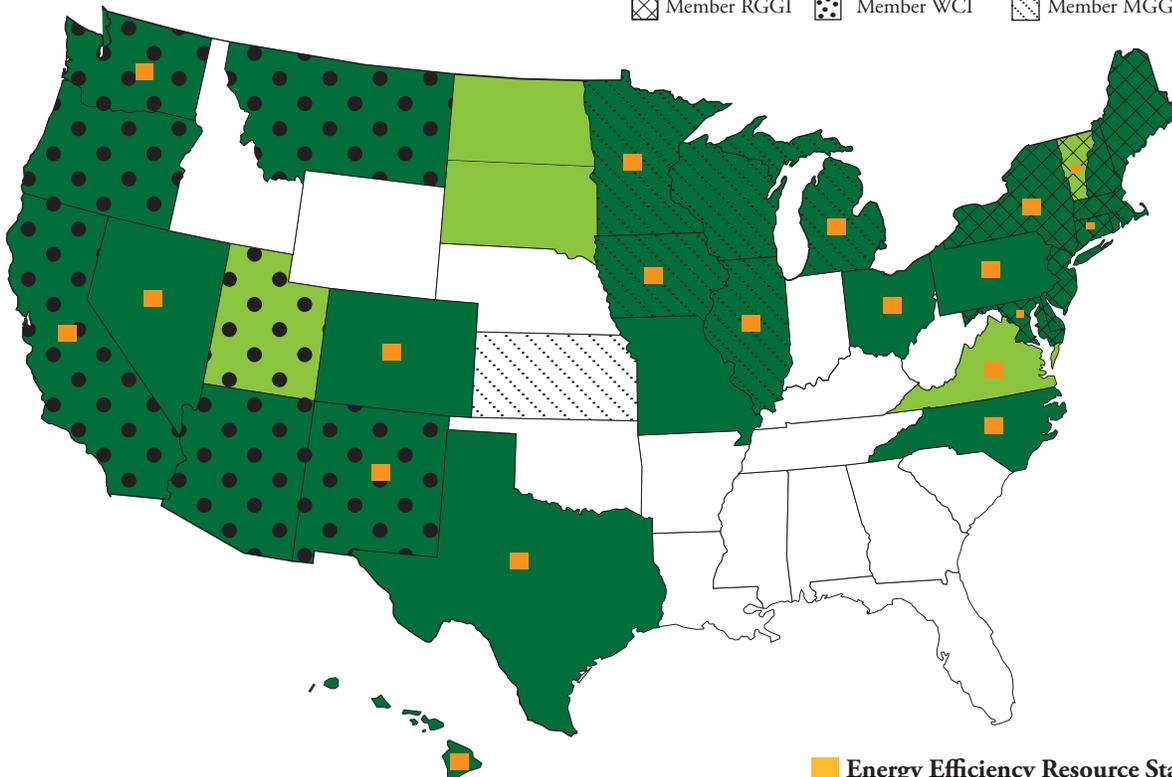
\*A full summary of the American Clean Energy and Security Act can be found at: <http://www.wri.org/publication/usclimatetargets>

## Regional and State Action

### Regional cap-and-trade agreements

Three mandatory regional carbon trading markets, the Northeast and Mid-Atlantic Regional Greenhouse Gas Initiative (RGGI), the Midwestern Greenhouse Gas Reduction Accord (MGGRA) and the Western Climate Initiative (WCI) are being established by state governors to limit emissions and spur energy innovation. Twenty-three U.S. states are participating, accounting for nearly half the nation's population. RGGI began auctions in September 2008; WCI and MGGRA should be operational in 2012.

 Member RGGI
  Member WCI
  Member MGGRA



### Renewable Portfolio Standards

More than 50% of states employ renewable portfolio standards or renewable deployment goals, which mandate that utilities get a certain amount of their energy from renewable sources, leading to emissions reductions.

[Source: Federal Energy Regulatory Commission]

 State RPS  
 State Goal

### Energy Efficiency Resource Standards

Nineteen states have minimum energy efficiency resource standards which encourage more efficient generation, transmission and use of electricity and natural gas.

[Source: ACEEE]

## Local Action: Mayors Climate Protection

As of 2009, 935 U.S. cities have signed onto an agreement to:

 Strive to meet or beat the Kyoto Protocol targets — 7% reduction from 1990 levels by 2012 — through action in their communities.

 Urge their state and federal government to enact policies and programs to meet or beat this target.

 Urge Congress to pass GHG reduction legislation, establishing a national emissions trading system.

## About WRI

The World Resources Institute is an environmental think tank that goes beyond research to create practical ways to protect the Earth and improve people's lives. Our mission is to move human society to live in ways that protect Earth's environment for current and future generations.

Our programs meet global challenges by using knowledge to catalyze public and private action:

- *To reverse damage to ecosystems.* We protect the capacity of ecosystems to sustain life and prosperity.
- *To expand participation in environmental decisions.* We collaborate with partners worldwide to increase people's access to information and influence over decisions about natural resources.
- *To avert dangerous climate change.* We promote public and private action to ensure a safe climate and sound world economy.
- *To increase prosperity while improving the environment.* We challenge the private sector to grow by improving environmental and community well-being.

In all of our policy research and work with institutions, WRI tries to build bridges between ideas and actions, meshing the insights of scientific research, economic and institutional analyses, and practical experiences with the need for open and participatory decision-making.



WORLD  
RESOURCES  
INSTITUTE

10 G Street, NE  
Washington, DC 20002

[www.wri.org](http://www.wri.org)