

Footnotes to Tables 1 & 2

1. The terms "regulated" and "non-regulated" differentiate between entities that have a compliance obligation under the pollution reduction program established by the APA and those that do not (such as government programs).
2. "Allocation" means free distribution of allowances to the specified recipient, "auction" means allowances sold to the highest bidder or sold to refined product producers at a set price derived from the auction price based on rules established under the APA, "fixed price sale" means allowances sold under certain circumstances at the cost containment reserve price established by the APA. Auction amounts in this table represent minimums due to the ability for any holder of an allowance to request that EPA auction that allowance on consignment.
3. References are to sections of the American Power Act (APA) and new sections of the Clean Air Act (CAA) where appropriate. Other statutes are referenced as needed.
4. In general, any allowances not allocated for other purposes or allocated but not distributed (with a few exceptions) are to be auctioned with the proceeds directed to deficit reduction. With this in mind, amounts in this table represent the minimum percentage of total allowances that could be auctioned with the proceeds directed to deficit reduction. The APA contains several provisions independent of the GHG reduction program that could contribute to the federal deficit (such as subsidies for nuclear technology or revenue sharing for offshore drilling), allowance value directed to deficit reduction could be used to offset these costs.
5. Any allowances not distributed to LDCs in a calendar year are withheld and distributed the following calendar year.
6. Sec. 2101 [new sec. 781(a)(4) of the CAA] initially directs 12.3 percent of total allowances to both energy refunds and tax credits; however, sections 3201 and 3203 direct different amounts to these same purposes. Discussions with bill authors have clarified that sections 3201 and 3203 should be followed in this instance.
7. These amounts could be adjusted to change the relative share of allowance value directed towards domestic and international adaptation if the president determines that its in the national interest to do so.
8. These programs are subject to an annual or cumulative dollar limit on the total allowance value they may receive (indicated in parentheses). If these limits are met based on the market value of allowances, any additional value is directed to deficit reduction. These percentages reflect the maximum amount of the allowance pool each program would receive given that the floor price for allowances established under the APA would generate allowance value that would exceed some of these limits.
9. This program is subject to a cumulative dollar limit on the total allowance value it may receive (indicated in parentheses). If the limit is met based on the market value of allowances, the remaining allowances would be directed to state renewable energy and energy efficiency programs. These percentages represent the maximum amount of the allowance pool this program would receive subject to these limits.
10. The values shown here reflect the maximum annual amount that may be allocated to these entities in a given year. The value of allowances not allocated to this purpose is carried over to the next year.
11. The values shown here reflect the maximum annual amount that may be allocated to these entities in a given year. Any allowances not allocated to these entities are directed towards electric LDCs to benefit consumers.