

**Federal Climate and Energy Activities Weekly Roundup
February 1—February 5**

Update on Climate Legislation:

While the Administration's Budget, released February 1, calls for a cap-and-trade program (see below), President Obama at a town hall meeting on February 2 acknowledged that there may not be the votes to pass such a program out of the Senate, and instead the Senate may end up passing an energy-only bill that does not establish a price on carbon. A White House spokesperson has since characterized the President's comments as "an observation" and noted the Administration remains committed to comprehensive energy and climate change legislation. Obama reiterated his support for putting a price on carbon at a Senate Democratic Policy Committee meeting on February 3, and White House climate and energy advisor Carol Browner emphatically told reporters that the Administration is not backing away from the capping greenhouse gases. Meanwhile, Senators John Kerry (D-MA), Lindsey Graham (R-SC) and Joseph Lieberman (I-CT) continue to work towards compromise on climate change legislation. They are reportedly circulating legislative text on certain issues, but have released no details to date. Senate aids maintain that it is unlikely that details will be available any sooner than sometime in March.

Energy and Climate Highlights of the President's FY2011 Budget Proposal:

- Supports a cap-and-trade program, but does not include specifics about how much money would be generated by the program. The Administration expects such a program to be deficit neutral, and that any revenues resulting from it would be used for climate-related purposes and to compensate vulnerable families, communities and businesses during the transition to a clean energy economy.
- \$43 million for the Environmental Protection Agency to use in regulating greenhouse gases under its Clean Air Act authority, of which \$25 million would flow to states for the accounting of greenhouse gases.
- \$60 million to support states in implementing air quality standards.
- \$45 million to support states in enhancing water enforcement and permitting programs.
- \$54 billion—a threefold increase—for the Department of Energy's loan guarantee program for nuclear power. According to Secretary Chu, this would be sufficient to support the construction of between seven and ten new reactors.
- Provides no funding for the Yucca Mountain nuclear waste repository.
- \$545 million for the Department of Energy to use towards carbon capture and storage technologies.

President Meets With Governors On Clean Energy and Energy Independence

On February 3, President Obama met with a group of governors to discuss steps the Administration is taking to enhance energy independence and create jobs in a clean energy economy. SGA Chairman Alabama Governor Bob Riley and SGA members West Virginia Governor Joe Manchin, Kentucky Governor Steve Beshear, and Tennessee Governor Phil Bredesen attended the meeting.

The President announced several new programs/initiatives including the Renewable Fuel Standard final rule (see below), the Biomass Crop Assistance Program, a biofuels working group intended to accelerate investment and production of biofuels, and an interagency task force on carbon capture and storage,

House Agriculture Chair Seeks to Bar EPA from Regulating GHGs Under the Clean Air Act

On February 2, Representative Ike Skelton (D-MO) introduced legislation that would amend the Clean Air Act (CAA) to prevent the Environmental Protection Agency (EPA) from regulating carbon dioxide and other greenhouse gases (GHG) based on their impacts on global warming. House Agriculture Chairman Collin Peterson (D-MN) is one of the original co-sponsors of the bill. In response to a 2007 Supreme Court decision, EPA last December published a finding that public health is endangered by GHGs due to climate change, giving the agency the authority to regulate those gases under the CAA. The bill would also prevent EPA from calculating land-use changes in foreign countries for determining U.S. renewable fuels policy (see below) and broaden the definition of biomass for purposes of the renewable fuels standard.

EPA Issues Final Rule for Renewable Fuel Standard

On February 3, the Environmental Protection Agency (EPA) announced the final rule implementing the Renewable Fuel Standard included in the 2007 energy bill. The rule has been controversial because of how EPA planned to calculate the carbon footprint of biofuels, including ethanol, in the proposed rule EPA issued last year. The law requires biofuels to have a smaller carbon footprint than gasoline and “advanced” biofuels must meet additional standards. As it proposed, EPA would include emissions created from “indirect land use” in its calculation of biofuels’ carbon footprints. Indirect land use refers to emissions resulting from deforestation in other countries when farmers in those countries plant new crops because the U.S. is exporting less of a particular crop (for example corn or soybeans) to them as a result of using more of that crop for biofuels production at home. Critics have charged that it is difficult if not impossible to measure the impact of indirect land use and it should not be included in the carbon footprint calculation. The final rule continues to consider indirect land use, however EPA relied on new data, which created a more favorable carbon footprint for many biofuels. This has not completely satisfied many members of Congress who criticized EPA’s decision to include indirect land use in its calculations.

More Nations Make GHG Reduction Pledges for Copenhagen Accord

The number of nations pledging to reduce their greenhouse gas (GHG) emissions in accordance with the Copenhagen Accord has risen to 55, and more countries may be joining them. According to the United Nations Framework Convention on Climate Change, these 55 nations currently emit 78 percent of the world’s GHG emissions. The Copenhagen Accord is not a treaty, and therefore is not binding. All pledges are voluntary and pledges differ by nation. The U.S. pledge to reduce GHG emissions by 17 percent below 2005 levels by 2020 is dependent on passage of a climate bill mandated the reduction.

New Legislation:

- On February 2, Representative Ike Skelton (D-MO) introduced H.R. 4572. The bill would amend the Clean Air Act relating to greenhouse gases, and for other purposes. It was referred to the Committee on Energy and Commerce.

- On February 4, Senator Bernard Sanders (I-VT) introduced S. 2993. The bill would increase the quantity of solar photovoltaic electricity by providing rebates for the purchase and installation of an additional 10,000,000 solar roofs and additional solar water heating systems with a cumulative capacity of 10,000,000 gallons by 2019. It was referred to the Committee on Energy and Natural Resources.
- On February 4, Senator Thomas Carper (D-DE) introduced S. 2995. The bill would amend the Clean Air Act to establish a national uniform multiple air pollutant regulatory program for the electric generating sector. It was referred to the Committee on Environment and Public Works.
- On February 4, Representative Steve Cohen (D-TN) introduced H.R. 4597. The bill would increase the quantity of solar photovoltaic electricity by providing rebates for the purchase and installation of an additional 10,000,000 solar roofs and additional solar water heating systems with a cumulative capacity of 10,000,000 gallons by 2019. It was referred to the Committee on Energy and Commerce.