

Federal Climate and Energy Activities Weekly Roundup
October 12—October 16

Update on Senate Climate Legislation:

Senate climate change legislation sponsors John Kerry (D-MA) and Barbara Boxer (D-CA) this week reported significant progress towards filling in some of the placeholder language in their legislation and gaining Republican support for the bill. On October 11, Kerry and Senator Lindsey Graham (R-SC) jointly published the attached op-ed piece in the *New York Times* entitled “Yes We Can (Pass Climate Change Legislation),” in which the two Senators announced they would partner with each other to find common ground and move towards passing climate change legislation. In the article, the Senators agreed on several key issues: that climate change is real and threatens the economy and national security; that it is critical to take advantage of not only renewable energy sources, but also nuclear power; that it is imperative to end U.S. dependence on foreign oil and the importance of clean coal in so doing; that the Senate will consider a border tax on imports from countries that do not adhere to similar environmental standards; and the importance of establishing a floor and ceiling for emissions allowance prices to help protect businesses and consumers from increases in energy costs. They also committed to seeking a compromise on new onshore and offshore drilling. While Graham is not an official co-sponsor of the Kerry-Boxer climate change bill, he intends to play a significant role in finding areas of compromise.

The Kerry-Graham partnership got a boost from President Obama, who, speaking at a New Orleans town hall on October 15, said he is “in favor of finding environmentally sound ways to tap our oil and natural gas” and that “there’s no reason why technologically we can’t employ nuclear energy in a safe and effective way.” He also said he would press for action on the climate change legislation once Congress passes a healthcare bill.

Also this week, Boxer announced that she and the other Senators working to flesh out the legislation have developed “semi-final draft” language to replace placeholder language focusing on the formula used to distribute allowances, international provisions, and energy infrastructure. However, Boxer says she will not release that language publicly until the Environmental Protection Agency (EPA) completes its cost analysis of the bill.

The Environment and Public Works Committee will hold three days of hearings on the legislation beginning October 27. Markup is expected either the first or second week in November. According to Boxer, the EPA cost analysis of the bill will be available before the markup. The Agriculture, Nutrition and Forestry Committee and Finance Committee are also planning markups of the legislation.

Senate Energy Committee Explores Cost of Climate Change Legislation

On October 14, the Senate Energy and Natural Resources Committee held a hearing on the various cost analyses of the climate change legislation. Representatives from EPA, the Congressional Budget Office (CBO) and the Energy Information Administration testified. Senators on the

committee expressed frustration with the uncertainties inherent in the various economic models used to gauge cost, and questioned the degree to which any of the analyses show a full picture of the economic impact of the bill. CBO Director Douglas Elmendorf told the Committee that it is not clear whether the growth in green jobs that could be created under climate change legislation would be enough to offset job losses in fossil fuel industries, and that workers with skills used in the oil and gas industries may lack the skills necessary for many of the green jobs that would be created.

Senate Foreign Relations Subcommittee Discusses Climate Change Impacts on Vulnerable Nations

The Senate Foreign Relations Subcommittee on International Development and Foreign Assistance, Economic Affairs, and International Environmental Protection held a hearing October 15 on impacts of climate change on vulnerable nations, such as drought, flooding and refugees. Subcommittee Chairman Robert Menendez (D-NJ) spoke of the importance of adaptation funding to those nations so they are able to cope with natural disasters that could result from climate change. Witnesses at the hearing claimed that the adaptation funding in the House climate bill—\$750 million annually—is inadequate to meet the needs of those nations. The Senate climate bill has not yet specified how much funding would be devoted to adaptation.

New Legislation:

- On October 15, Representative Steve Israel introduced H.R. 3836. The bill would authorize the Secretary of Energy to provide credit support to enhance the availability of private financing for clean energy technology deployment. The bill was referred to the Committee on Energy and Commerce.