

Western Climate Initiative



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Janice Adair, Chair

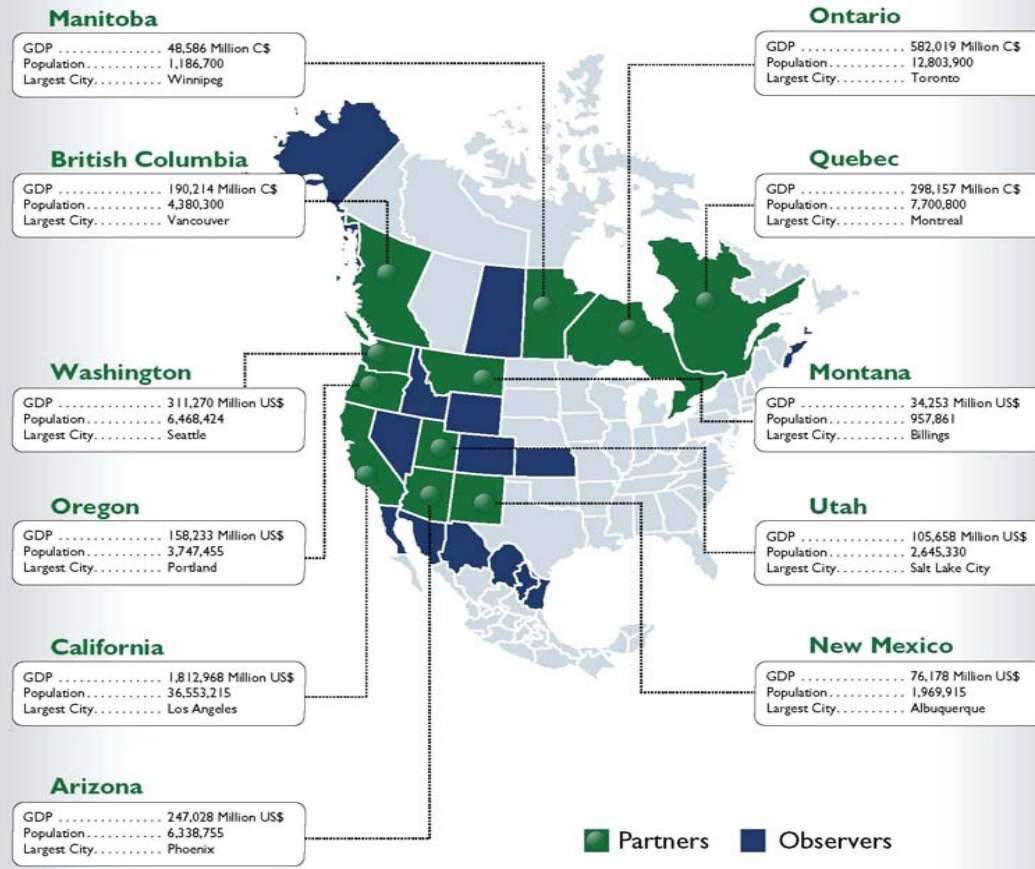
6th Annual Northwest Energy Conference

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www.westernclimateinitiative.org

Western Climate Initiative



WCI OBSERVERS		
CANADA	UNITED STATES	MEXICO
Nova Scotia	Alaska	Baja California
Saskatchewan	Colorado	Chihuahua
	Idaho	Coahuila
	Kansas	Nuevo Leon
	Nevada	Sonora
	Wyoming	Tamaulipas

All Figures for 2007
 Source for US data: US Census Bureau and US Bureau of Economic Analysis
 Source for Canadian data: Statistics Canada

WCI Cap and Trade

- WCI Cap and Trade Policy Framework -- Sept. 2008
- Coverage: 90% of the region's emissions; 6 greenhouse gases
- Cap: 15% below 2005 levels by 2020
- Threshold 25,000 metric ton annual emissions
- Offsets allowed
- Unlimited banking ; no borrowing; three year compliance periods
- Early Reduction Allowances (ERA)
- Allowance distribution left to each partner; recommend 10% minimum auction
- Start date 2012 with fully economy coverage in 2015

Ongoing WCI Design Work

WCI 2009-2010 Work Plan focuses on:

- Emissions reporting and allowance tracking
- Imported electricity (generated outside WCI)
- Design and operation of the offset system
- Establishing overall regional emission cap, and each Partner's allowance budget
- Market operation and oversight
- Complementary and transition policies
- Expanded economic analyses, including macroeconomic analysis

National Context -- Waxman-Markey Bill American Energy and Security Act (H.R. 2454)

- Coverage: 85% of U.S. emissions; 7 GHGs
- Cap: 17% below 2005 levels by 2020; 83% below by 2050
- Threshold: 25,000 metric tons annual emissions; EPA may lower to 10,000 metric tons after 2020
- Offsets allowed
- Unlimited banking, 2 year compliance period, Strategic allowance reserve (allowance price trigger)
- Allocation of allowances: Initially 85% free allocation/15% auction
- Holders of allowances issued by WCI before 12/31/11 can exchange them for federal allowances
- Start date 2012; full economy coverage in 2016

Waxman-Markey Complementary Policies

- Efficiency and Renewable Electricity Standard (20% by 2020)
- Investments in renewable energy and energy efficiency, CCS, advanced technology vehicles, and basic scientific R&D
- Energy efficiency provisions: Building efficiency codes, appliance standards energy efficiency resource standard
- Transportation: Vehicle standards, PHEV planning and incentives, states and MPOs to develop GHG reduction plans
- GHG performance standards for coal-fuel power plants
- Transmission planning, smart grid advancement, green jobs, worker transition, consumer protection, adaptation, etc.

Summary

- WCI Partner jurisdictions support a national approach for cap-and-trade that is at least as rigorous as WCI's design.
- WCI Partner jurisdictions are continuing to work on the details of its cap-and -trade design.
- The Partners have and will continue to share what we've learned with Congressional staff and EPA.
- The Partners are also working on identifying where national and regional complementary policies may be needed.
- WCI Program – cap-and-trade working together with other policies – is serving as national model.

For more information

- Website and WCI listserv –
www.westernclimateinitiative.org
- Washington's Website and listserv –
www.ecy.wa.gov/climatechange
- WCI US Co-Chair
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