THINK TANK UPDATE

Konrad-Adenauer-Stiftung e.V.

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Delivering on the U.S. Climate Commitment

A PANEL DISCUSSION ON EMISSIONS REDUCTION HOSTED BY THE WRI

On Wednesday May 27, 2015 the World Resources Institute held a panel discussion at the National Press Club to present their 10-Point Plan on how to reach and exceed the greenhouse gas emission targets set by the United States as part of the forthcoming international agreement under the United Nations Framework Convention on Climate Change. Panelists representing all sectors were in agreement that the technology is available to realize these goals and that the need for change goes beyond issues of climate change

Panelist Rick Duke, Associate Director for Energy and Climate Change for the White House, spent time highlighting the achievements of the Obama Administration, which has prioritized climate policy, as initiated by the 2013 Climate Action Plan. The Administration has also established a greenhouse gas (GHG) emissions reduction goal of 26-28 percent below 2005 levels by 2025 in their Intended Nationally Determined Contributions (INDC) to the United Nations Framework Convention on Climate Change (UNFCCC), which will be held in Paris in December of 2015. This commitment has been pledged to the international community at a time when the Environmental Protection Agency (EPA) issues the final rules (Summer 2015) on its Clean Power Plan for existing power plants (CPP) and Carbon Pollution Standards for modified and reconstructed power plants (CPS).

It is precisely this commitment to the UN-FCCC and the proposed mechanisms in the CPP and CPS to deliver on this emissions goal that the World Resources Institute (WRI) assessed while creating their "10-Point Plan Toward a Low-Carbon Future."

Karl Hausker, presented the WRI plan which states that the regulations to date will not be sufficient to achieve the INDC emissions goals. The WRI has identified two pathways that can be independently pursued in order to achieve an emissions reduction of 30 percent by 2025. The first pathway, the Power Sector Push, would require the EPA to strengthen the standards for existing power plants beyond what the CPP proposes and that cost reductions in renewable energy technology continue. The second pathway, the Targeted Sector Push, assumes the implementation of the CPP as currently proposed, in addition to a greater push to reduce energy consumption in passenger vehicles and industry, natural gas demand in buildings, and travel demand. The WRI assesses that both of these pathways can be pursued under authorities already granted to the executive branch.

The panelists agreed that the technology needed to reduced GHG emissions, and put us on a more sustainable path, is readily available, and in many cases has seen widescale implementation in States like California. As part of the EPA's plan, States are allowed a fair amount of latitude in selecting exactly how they wish to reduce their emissions. Richard Kaufman who is the Chairman of Energy and Finance for the State of New York discussed that their push to upgrade to "smart grids," and other technologies like dual heat and electrical production units, is fueled by a need for modern, efficient, and resilient power systems. For New York the urgency of modernization came as a result of the dramatic effects of Hurricane Sandy, after which large numbers of people were left without access to electricity for an extended period of time. Mr. Kaufman also pointed out that States should evaluate and



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www.kas.de/usa www.kas.de www.uspolitik.info adjust pay structures currently used to reimburse utility companies, which monetarily incentivize the status quo.

A vital aspect to the analysis of any policy implementation is the economic impact that the proposed changes will have. Rick Duke reported that the EPA predicts a net gain in jobs as a result of the new energy rules. As changes come, gains in employment will come from the renewable energy sector, while it reduces in others. In addition, especially if the WRI's Targeted Sector Push is pursued, several industries from construction to engineering will benefit from the production and installation of new technologies, a point made by Mark Wagner Vice President of Government Affairs for Johnson Controls. The WRI also finds that the net economic impact will be positive, coming in the form of monetary savings from realized energy efficiencies.

As the United States pursues a progressive climate policy agenda, serious questions as to whether the political landscape will allow it remain. The EPA's new rules will most assuredly be challenged in the courts and the UNFCCC may not be ratified by Congress, depending on the yet to be determined details of the agreement. Both of which are reasons that the WRI and other stakeholders currently seek to disseminate their views and frame the policy debate. Having the executive branch on their side, as well as an argument that transcends ecological benefits, the view from the panel seemed upbeat.

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