



GLOBAL CARBON MARKETS - EMISSIONS TRADING

TRAINING PROGRAM

FOR ENVIRONMENTAL AND GHG SPECIALISTS

KRISHNAJI PAWAR, LEED AP BD+C, GSAS CGP, ISO 14001:2015, GCP

ENVIRONMENTAL SPECIALIST CURRICULUM







US FEDERAL CAP-AND-TRADE PROGRAM

FOR ENVIRONMENTAL AND GHG PROFESSIONALS

KRISHNAJI PAWAR, LEED AP BD+C, GSAS CGP, ISO 14001:2015, GCP

ENVIRONMENTAL SPECIALIST CURRICULUM







LEARNING OBJECTIVES

A review of the history of climate change legislation by the U.S. federal government, including the structure of previous proposals for a U.S. federal greenhouse gas cap and trade system

A review of presidential stances on climate change policy

An overview of some of the key players involved in creating and passing cap and trade legislation in the U.S. Congress, and finally,

How a potential nation-wide carbon market might interact with the regional cap and trade systems already in existence in the U.S.

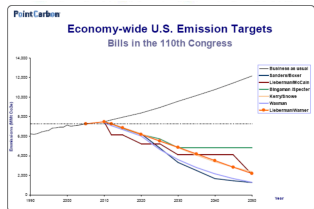
HISTORY OF CLIMATE CHANGE LEGISLATION IN THE U.S

As you know, the United States is the only developed country that has not ratified the Kyoto Protocol. This means that the country responsible for about 20 percent of the world's greenhouse gas emissions is the only industrialized nation that is not bound by international law to reduce those emissions. When then-President George W. Bush officially rejected the Kyoto Protocol in 2001, it became clear that the United States would not participate in the approach to greenhouse gas reduction pursued by the rest of the world. But since then, several proposals for a nation-wide greenhouse gas cap-and-trade system have been introduced in the U.S. Congress.

Their bill was called the "Climate Stewardship Act" and was first introduced in 2003. The bill proposed an economy-wide emissions trading system that would include the transportation sector, similar in scope to the Western Climate Initiative plan. Other members of Congress also introduced various cap- and-trade bills over the following years, most of them also proposing economy-wide caps.

HISTORY OF CLIMATE CHANGE LEGISLATION IN THE U.S +

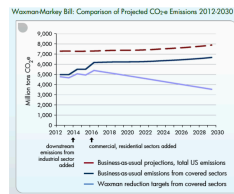
This chart shows the trajectory that U.S. greenhouse gas emission levels would have to take to meet the targets and timelines proposed by some of the bills we just listed. Most aim for a reduction of 60- 80% below current U.S. emission levels by the year 2050.



For the United States, no international GHG reduction obligations apply, so Congressional leaders have focused on a long-term timeline that would reduce uncertainty for utilities and other entities that will be covered under a cap-and-trade system. Giving a clear legislative signal to the private sector, so they know what the economy's emission reduction requirements will be several decades ahead, allows firms to plan investments such as new power generation facilities that often cost billions of dollars.

THE AMERICAN CLEAN ENERGY AND SECURITY ACT OF 2009

The cap-and-trade program enshrined in the American Clean Energy and Security Act would cover about 85 percent of current U.S. greenhouse gas emissions - those from electricity generation, industrial production, and transportation. The bill aims to lower emissions from covered sectors to 17 percent below 2005 levels by the year 2020, with continuing emission reductions such that U.S. emissions should be 83 percent lower than their 2005 levels by 2050.

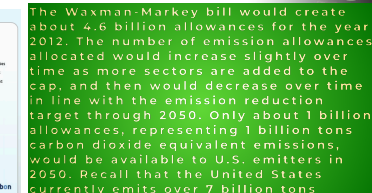


Under the bill, power plants are responsible for emissions from the coal and natural gas they burn, but not for the emissions from petroleum. Petroleum emissions are regulated at the point of petroleum refineries and importers based on the carbon content of the fuels they produce or import.

Emissions from the transportation sector would, therefore, be covered upstream at the point of liquid fuel refiners and importers. This includes petroleum, coke, natural gas liquids and coal-based liquid fuel facilities.



ts,



INTERACTION WITH REGIONAL CARBON MARKETS?

It remains to be seen how the new push toward a greenhouse gas cap-and-trade at the national level will play out in the United States. The U.S. legislative process has many steps and takes a long time. If a comprehensive cap-and-trade plan is passed in the 111th Congress, it will not enter into force until 2012. The relevant government agencies will need time to create the required regulations and infrastructure, including an emissions registry, authorities for verification of offsets, and more.

In the meantime, existing regional programs would continue. RGGI is already in force, and the Western Climate Initiative is scheduled to begin in January 2012. Therefore, it has become a contentious issue whether an eventual federal program will take over, or "pre-empt" existing regional programs. The Waxman-Markey bill would require a moratorium on regional programs for at least five years, meaning RGGI would end in 2012 and be "folded into" the more comprehensive federal program.



BEYOND
SMART CITIES

THANK YOU

**THE WORLD'S 1ST GREEN TECHNOLOGY
MARKETPLACE**

GREENHOUSE GAS ACCOUNTING SPECIALIST
BEYOND SMART CITIES