

American Clean Energy and Security Act of 2009

Waxman-Markey Discussion Draft

March 31, 2009

Bill	Scope of Coverage	2010-2019 Cap	2020-2029 Cap	2030-2050 Cap	Allocation	Offsets and Other Cost Controls	Early Action	Technology and Misc.
<p>Waxman-Markey</p> <p>3/31/2009</p> <p>American Clean Energy and Security Act of 2009</p> <p>Discussion Draft</p>	<p>7 GHGs—CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃</p> <p>Upstream for transport fuels, downstream for electric utilities and large sources, commercial and residential natural gas at LDCs</p> <p>Compliance starts in 2012 with some sources phased in later (2014 for large industrial sources; 2016 for natural gas LDCs)</p>	3% below 2005 level in 2012	20% below 2005 level in 2020	<p>42% below 2005 level in 2030</p> <p>83% below 2005 level in 2050</p>	<p>No amounts specified with the exception of 5% for reducing international deforestation</p> <p>Compensatory allowances provided for non-emissive use of feedstocks</p> <p>Transition title supports clean technology, industrial and worker transition, adaptation, international obligations, and consumers</p>	<p>Domestic and international offsets allowed; Administrator determines project list based on Offsets Integrity Advisory Board (OIAB) recommendations</p> <p>2 billion tons of emissions system wide can be used for compliance (1 billion domestic and 1 billion international)</p> <p>5 offset credits must be submitted for every 4 tons of emissions. (2.5 billion offset credits submitted for 2 billion tons of emissions compliance)</p> <p>President may recommend to Congress to alter total number up or down</p> <p>Multi-year compliance with rolling 2-year period</p> <p>Unlimited banking and next year borrowing with no interest; borrowing up to 15% of compliance obligation in years 2-5 beyond calendar year at 8% interest</p> <p>Quarterly strategic reserve auction: takes small percentage from cap each year; initial minimum price level set at 2x EPA's modeling for year 2012 allowances (increases in subsequent years); up to 5% total annual allowances in years 2012-2016 may be auctioned from the reserve, increasing to up to 10% in 2017; proceeds used to buy international reduced deforestation offset tons</p>	Not specified	<p>RPS: 6% in 2012-13 reaching 25% from 2025-2039. States can have annual percentage reduced by 20% if in compliance with Federal Energy Efficiency Resource Standard</p> <p>CCS: Federal agencies to develop national strategy for CCS deployment; Administrator to develop regulations for geologic sequestration sites. CCS trust fund for early stage deployment; rebate for early large scale deployment</p> <p>Performance standards for new powerplants</p> <p>Low carbon fuel standard: 5% reduction from 2005 levels by 2023, 10% by 2030</p> <p>"Harmonize" CAFE, CAA, and California vehicle standards to develop a federal standard that achieves at least the same level of GHG reductions as the California standards would (if implemented by CA and other 17 states)</p> <p>Directs EPA to implement GHG standards for on-road heavy-duty vehicles and engines by Dec 2010; for marine vessels, locomotives, aircraft (and engines) by Dec 2012</p> <p>Energy efficiency: smart grid and transmission provisions; building efficiency codes updates; building retrofit program; energy efficiency manufactured homes program; energy efficiency resource standard; others</p>