

VERY Concise Summary of HR 2454, Waxman-Markey Bill

See the 22-page Committee Summary or the 900+ page bill itself for more detail
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Emissions Reduction: 17% below 2005 by 2020; 83% by 2050

Offsets: Up to 2 billion metric tons (up to 50% of total reductions required by 2050); 1.25 international offsets required to offset 1 ton of domestic emissions.

Energy Efficiency:

- Up to 9.5% of allowance value to states for energy efficiency programs (\$1 - \$20 billion / year); allocated 1/3 per-state, 1/3 per-capita, 1/3 based on energy usage.
- Smart Grid Incentives
- Building Codes 30% improved by 2010, 50% by 2016
- Lighting and appliance standards
- First-ever industrial energy efficiency standards

Clean Energy: Federal Renewable Portfolio Standard of 20% by 2020, but a portion can be met with increased energy efficiency. The minimum is 12% renewables.

Carbon Capture and Sequestration

- Funding for Research, Development and Demonstration
- Coal plants permitted 2009-2020 required to use CCS no later than 2025

Clean Transportation: Electric vehicle infrastructure and vehicle RD&D

Allowance Allocation Prior to 2025:

- 22% reserved for specific industries (15% trade-dependent industry, 5% merchant power, 2% oil refineries)
- 78% reserved for the general public interest (30% electric consumers, 9% gas consumers, 1.5% heating oil consumers, 15% low-income financial assistance, 1% - 9.5% energy efficiency (changes a lot by year), plus small amounts for clean vehicle technology, wildlife adaptation, domestic adaptation, international adaptation, worker retraining, tropical deforestation, coal CCS.
- Electric utilities: 50% historical emissions, 50% sales (rolling average)
- Strategic reserve of allowances sold if price rises by more than 60% in 3 years.

Allowance Allocation After 2025

- All allowances for industries, refineries, electric consumers, natural gas consumers, and oil consumers phase to zero by 2030. Reservations for energy efficiency, low-income assistance, and mitigation programs continue.
- All unallocated allowances are auctioned. Reserve price is \$10/tonne in 2009\$. Auction proceeds returned to taxpayers in a per-capita Climate Change Rebate.

Federal Pre-Emption: Preempts regional and state cap-and-allowance programs.