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Bipartisan climate proposal gains industry support, but safety valve draws ire

Democratic Senator Jeff Bingaman and Republican Senator Arlen Specter unveiled their highly-anticipated climate change bill on 11 July, featuring a multi-sector cap-and-trade scheme cushioned by a controversial $12 safety valve.

The Low Carbon Economy Act calls for a reduction of greenhouse gases to 2006 levels by 2020 and to 1990 levels by 2030, and has drawn early support from large utilities and major labour unions.

The bill's target and technology incentives were designed to "avoid harm to the economy while promoting a gradual but decisive transition to new, lower-carbon technologies," according to a statement from the Senate's energy committee, which Bingaman chairs.

Details of the bill's proposed carbon market, such as a so-called safety valve and an initial free allowance allocation to emitters, reflect the bill's emphasis on gaining as wide support as possible from both parties and from industry.

"What we were trying to do is draft legislation that would be sure to pass," Bingaman said.

Some Republican senators previously opposed to cap-and-trade legislation, including Specter and Alaska Senators Lisa Murkowski and Ted Stevens, said the safety valve provision gained their support for mandatory greenhouse gas targets, putting proponents of carbon caps closer to the crucial 60-vote threshold needed to pass such a bill.

The safety valve is a price cap on the cost of emissions allowances. The bill would limit the amount emitters would have to pay per tonne of CO2 equivalent to $12.00 in 2012, rising by 5 per cent above inflation each year after that.

But California Democrat Barbara Boxer, chair of the Senate's environment committee and co-sponsor of another Senate bill aimed at curbing climate change, opposes the safety valve provision because "business people tell us it will undermine the certainty of their investments."

Some Republicans have joined Boxer and environmental groups in opposition to the price valve. Republican House Representative Wayne Gilchrest of Maryland, chair of the Congressional Climate Change Caucus, compared the safety valve to a carbon tax.

"It takes money out of the marketplace - where it can drive investment in clean new technologies - and hands it over to the federal treasury," he said.

The new bill also calls for 53 per cent of tradable allowances to be allocated to emitters for free during the first five years of the trading programme, which would start in 2012. Thereafter, the amount of credits allocated for free would decline by 2 per cent per year.

In that same initial period, 24 per cent of allowances would be auctioned, with proceeds used to fund zero-carbon technology deployment and energy programmes for low-income families.

The remainder of allowances would be set aside to fund agricultural sequestration activities and carbon capture and storage projects. They would also be used to reward those firms that have early action to reduce greenhouse gases emissions.

Distinguishing the Bingaman-Specter proposal from the nine other climate bills being considered by Congress is a provision directly addressing US concerns about trade disadvantages if it were to adopt mandatory CO2 caps, while rapidly-growing developing nations like China and India did not.

The provision enables the president by 2020 to require high-emitting countries importing goods to the US to submit special emission allowances to cover the goods' carbon content, should the president deem that those countries have made "inadequate efforts" to reduce their emissions.

The bill will be referred to the Senate's environment committee, which will then create a comprehensive climate bill to present to the Senate floor.

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Florida governor orders greenhouse gas emission cuts

Florida will aim to cut its greenhouse gas emissions in the power sector to 1990 levels by 2025 and by 80 per cent under 1990 levels by 2050, according to an executive order signed on 13. July by Republican Governor Charlie Crist.

Crist also established the Florida Governor's Action Team on Energy and Climate Change, which has until 1 November to draft its recommendations for the governor on ways to achieve his statewide emissions reduction targets.

This could include market-based regulatory mechanisms, such as a cap-and- trade programme or emission-reduction policies "in conjunction with, or independent of regional, national, or international agreements."

The governor will also direct the secretary of the state's Department of Environmental Protection to establish and oversee rules to achieve the targets and to also adopt California's stringent auto emissions regulations.

California passed a law in 2002 that requires automakers to cut greenhouse gas emissions starting with the 2009 model year by 25 per cent from cars and light trucks and 18 per cent from sport utility vehicles. However, California is awaiting a waiver from the federal Environmental Protection Agency that would allow it stricter emissions reductions standards than the federal government.

Last month, Crist vetoed a $62-million energy bill that passed easily in both houses of the state legislature, saying that the proposed legislation did not go far enough to address conservation, energy efficiency and greenhouse gas emission reductions.

Crist also directs the Florida Public Service Commission in the draft order to initiate rulemaking to require electric utilities produce at least 20 per cent of their electricity from renewable sources, with a strong focus on solar and wind energy.

Florida emits over 270 million tonnes of carbon dioxide equivalent per year, making the south-eastern peninsula the US' fifth-highest emitting state.

Cooperation with Germany, UK

Officials from the environment ministries of Germany and the UK signed statements last week pledging to work with Florida on its carbon-cutting initiatives, including linking future emissions markets.

The European officials signed the agreements during a climate change summit Crist hosted in Miami last week.

"In Europe it is often overlooked with what pace climate policy is now developing in several US states," said Germany's state secretary on environment, Mathias Machnig. "With this cooperative declaration, we aim to support that positive trend."

Crist announced that Florida, Germany and the UK will also work to secure a global treaty to control greenhouse gas emissions after the Kyoto Protocol's first commitment period expires in 2012.

"We will partner to improve our public policies that reduce global emissions of greenhouse gases," the agreement states, adding "we will explore possible linkages between carbon markets" in Florida, Germany and the UK.

Germany and the UK are the EU's biggest greenhouse gas emitters and participants in the EU emissions trading scheme, a multinational cap-and-trade scheme.

Earlier this month a strategy paper from Germany's foreign ministry called for a link between the EU and US carbon markets to be in place by 2012.

The EU is currently reviewing its emissions trading scheme, and one of its stated goals is to allow for linking to other carbon trading systems, to increase liquidity and efficiency.

The Regional Greenhouse Gas Initiative on the US east coast and a potential regiona carbon market in the western US have been mentioned as candidates for linking to the EU's system, the world's biggest mandatory carbon trading scheme.

New Jersey governor signs GHG bill

With former Vice President Al Gore by his side, New Jersey Governor Jon Corzine signed a law on 6 July that sets a state-wide goal for reducing greenhouse gas (GHG) emissions by 20 per cent to 1990 levels by 2020 and 80 per cent below 2006 levels by 2050.

New Jersey, along with California and more recently Hawaii, are now the only states that have laws in force setting GHG reduction targets.

"I'm proud that New Jersey is one of the first among a handful of states that are leading the nation to combat global warming and I hope more states will follow in our model," Corzine said at a press conference.

The New Jersey Department of Environmental Protection (NJDEP) will take the lead in planning how the state will meet its GHG targets, and work with the Board of Public Utilities, the Department of Transportation, the Department of Community Affairs.

The NJDEP commissioner will then use feedback from the participating agencies to make specific recommendations to the governor. This process will be done in parallel with the long-term "energy master plan" Corzine commissioned last year, which details energy strategies aimed at achieving the new GHG targets.

The NJDEP has until January 2009 to develop a GHG emission monitoring and reporting programme, until June 2008 to establish a plan to achieve the 2020 limit, and until June 2010 to establish a plan to achieve the 2050 limit.

North American climate registry gains momentum

Membership in a registry for tracking and reporting greenhouse gas emissions across North America increased to nearly 40 this month, with Nevada, Florida and Iowa becoming the latest states to sign up to the programme.

The new states' participation in the The Climate Registry came on the heels of Tennessee and the state of Sonora in Mexico, which signed on in June.

Sonora, the first Mexican state to sign up for the registry, is also a member of the Western Regional Climate Initiative, a greenhouse gas reduction agreement among several US states and Canadian provinces, for which participation in the registry is required.

Analysts point out that a unified registry among US states will simplify adoption of nation-wide caps on greenhouse gases, as all regions would be subject to the same emission measurement and reporting standards necessary in an eventual carbon trading programme.

The registry, which was formed in May with 30 initial members, aims to track, verify and publicly report greenhouse gas emissions across industry sectors and state borders.

Heather Kaplan of Nescaum, an air quality management organisation that has helped run the registry process, said the registry is likely to be put in place before any kind of federal programme is created.

Kaplan said that registry staff are in the process of drafting reporting protocols. With momentum building on Capitol Hill for a mandatory greenhouse gas cap-and-trade scheme, registry staff have already started to work with members of Congress, she said.

"We're in the process of considering how the Climate Registry will be viewed on a national scale," Kaplan said, noting that states participating in the registry want to make sure that the platform they develop will be recognised on a national level.

It is likely that any kind of climate bill proposed later this year will have a provision for a registry attached to it, she said, adding that "we are trying to inform the process but we can't comment on what we think legislation should look like."

Negotiators tell US Congress to move past Kyoto

Climate experts close to the Kyoto Protocol negotiations told Washington DC lawmakers last week to look beyond the current climate agreement for a global emissions reduction regime.

The US will never ratify the Kyoto Protocol, said the White House's chief negotiator to the UN climate convention, Harlan Watson, at a hearing in the foreign relations subcommittee of the US House of Representatives.

"There is no developing country participation," Watson said of the protocol's binding targets for industrialised countries, which he said President George W Bush rejected in 2001 because "there is no way a treaty like that would've been ratified in Congress."

"This administration is not going to do some sort of symbolic gesture just to bring it home and have it rejected in the Senate," Watson explained. "(It represents) just one way to implement the United Nations Framework Convention on Climate Change (UNFCCC) and we're going to take a different approach."

According to Watson, the Bush administration is "looking for a sustained long-term commitment from all nations," that includes "flexible policy that stimulates technology." The US will convene a series of meetings encouraging all countries to establish mid-term goals and create a strong and transparent monitoring system for emissions.

Elliott Diringer of the non-profit Pew Center on Global Climate Change, who was a delegate to the UN negotiations under the Clinton administration, agreed on moving beyond the Kyoto Protocol's approach to achieve a global emissions reduction agreement.

"Post-2012 requires a new treaty," he testified at the hearing, referring to the end of the compliance period of the Kyoto Protocol.

According to Diringer, achieving broader participation in emissions reductions includes many different strategies, only some of which would involve economy-wide cap-and-trade programmes.

"Different countries should be allowed different pathways. Only by linking actions and negotiating them as a package are nations likely to put forward a higher level of effort," he told the committee, suggesting emissions reduction targets could be set by sector rather than by country.

Diringer stressed that the UN should remain the vehicle through which such a package is negotiated, but said progress could be made at other venues such as the G8.

Sir David King, Chief Science Advisor to the UK government, also touted the G8 as the likely negotiating venue for a global climate deal. In a speech on climate policy separate from the hearings, King said he expects "the bones of such an agreement to be worked out at the G8 plus five meetings next year," with the resulting framework to be taken to the UN.

"By early 2009 we must have a global agreement in place, to be fully enacted in 2012," he told reporters.

King, however, called the cap-and-trade approach applied in the Kyoto Protocol - through which carbon is traded as a commodity on the global market - "the only game in town." Officials from the US Environmental Protection Agency said last month that Bush will veto any legislation to cut greenhouse gases that includes cap-and-trade. Bush remains in office until January 2009.

Asked how negotiators can achieve a global agreement by his target date of early 2009 with Bush still in office, King said "I am very much hoping to see a clear leadership position from the US."

The next UN climate negotiations convene this December in Bali, Indonesia, with discussion on post-2012 high on the agenda

US representative pitches provocative CO2 tax

The chairman of the energy committee of the House of Representatives said on Sunday that he will introduce a carbon tax bill in order to demonstrate how unpopular such a tax would be with the general public.

In a televised interview last week, Chairman John Dingell said that he would introduce a bill trebling the federal gasoline tax, currently 18.4 cents, and proposing a double-digit tax on each tonne of carbon dioxide emitted, in an effort to show how costly taxation will be as opposed to introducing a cap-and-trade scheme to limit emissions.

"I sincerely doubt that the American people will be willing to pay what this is really going to cost them," Dingell said on the cable network C-Span. "I will be introducing... a carbon tax bill, just to sort of see how people think about this."

Dingell's House committee will draft a climate change bill this fall, which he hopes will include a cap-and-trade component. Earlier this month, Dingell announced targets to reduce greenhouse gas emissions by 60 to 80 per cent by 2050.

Six proposals for energy legislation drafted by Dingell's committee were incorporated in House Speaker Nancy Pelosi's comprehensive "Energy Independence" package, which she presented ahead of the 4 July holiday. The proposals would remove 8.6 billion tonnes of carbon dioxide emissions by 2030, according to committee estimates.

"The Congress should, must, and will regulate CO2," Dingell said earlier this month. "I will continue to create a bill that does not place unfair burdens on one single group, industry or community."

Proposed US energy legislation could reduce CO2 emissions by 18%: report

Combining the most drastic energy efficiency provisions of the energy bills currently being debated in Congress would result in an 18 per cent reduction from projected greenhouse gas emission levels for 2030, according to analysis by a US energy efficiency group.

Energy bills being considered by the US Senate and House of Representatives would reduce CO2 emissions by 13 per cent and 6 per cent respectively from projected emissions levels for 2030, the American Council for an Energy-Efficient Economy (ACEEE) survey concluded.

"These reductions in greenhouse gas emissions represent a significant down payment in efforts to address global warming," said Steven Nadel, executive director of the ACEEE.

The report estimates that if the Senate's version of its energy bill is implemented, it would result in a cumulative CO2 emissions reduction of 9.5 billion tonnes by 2030, compared to business-as-usual projections.

The largest emissions reductions in the Senate bill come from its proposal to raise fuel economy standards, the analysis found. The Senate passed in June a scaled-down version of the original draft of its energy bill, which features legislation to increase the average fuel economy standard for cars and light trucks but does not establish a quota for renewable energy.

The legislation would raise fuel efficiency by 10 miles per gallon (mpg) over 10 years from 25 mpg to 35 mpg by model year 2020.

ACEEE also examined the House energy committee's proposed legislation, which has been incorporated into House Speaker Nancy Pelosi's comprehensive "Energy Independence Day" package which she unveiled earlier this month.

Cumulatively, provisions in that package would result in carbon savings of 6 billion tonnes by 2030. The study found that the largest savings were generated by improvements to an existing programme updating national and state building codes and implementing efficiency standards on incandescent lamps, according to the ACEEE.

Unlike the Senate bill, the House energy package does not contain provisions for increasing vehicle fuel economy.

"We urge a House-Senate conference committee to develop a bill that combines the best provisions in each bill," said Nadel.

More US cities sign up to Kyoto targets

As of this week, 600 mayors from cities in all 50 US states and Puerto Rico have signed onto the US Conference of Mayors' Climate Protection Agreement, a pledge to reduce their cities' carbon dioxide emissions 7 per cent below 1990 levels by 2012.

The mayors who signed on to the pact represent over 67 million Americans. Over two-thirds of the US population live in cities.

The 7 per cent goal below a 1990 emissions baseline is the same greenhouse gas reduction target that the US would have been subject if it had ratified the Kyoto Protocol, an international agreement to address global climate change.

"City by city across America mayors are taking action. Isn't it time our federal government joined the fray?" Seattle Mayor Greg Nickels, the organisation's founder, said in a statement.

"The significant commitment by mayors to confront this global challenge is strong evidence of the growing political consensus from the local level to protect our climate now," said president of the Washington DC-based US Conference of Majors Douglas Palmer, who is also mayor of Trenton, New Jersey.

Miami Mayor Manuel Diaz said the rush of new sign-ups to the city-level Kyoto pledge is due to increased awareness about the effects of climate change in the US.

"Mayors in Florida are attuned to the threats that global warming poses to cities, especially coastal communities. That is why so many mayors in my state have joined the campaign," he explained

CANADIAN NEWS:

Toronto adopts climate plan

The city council of Toronto unanimously approved a plan Monday to cut greenhouse gas emissions in the city 6 per cent below 1990 levels by 2012, 30 per cent by 2020 and 80 per cent by 2050.

The climate plan, approved by the council's environment committee last month, will be implemented in two phases.

"What passed last night is phase one. Phase two is coming out early next year, and will include a detailed analysis of how many tonnes of greenhouse gas emissions will be reduced by the report's specific measures," said Mark Bekkering of Toronto's Environment Office.

"In 2004, Toronto emitted 24.4 million tonnes of carbon dioxide equivalent, and emissions in 1990 were around 22 million, but we're going to get them down," Bekkering said, adding that city operations, which make up about 6 per cent of current emissions have "already achieved a 30 per cent reduction since 1990."

Forest canopy accounts for around 17 per cent of Toronto land area, and the council wants to double that to 34 per cent.

City officials are also developing a programme to shift all taxis and limousines operating in the city to low emission or hybrid technologies by 2015 or earlier. "If we convert all 5,000 taxis, we estimate (greenhouse gas emissions) cuts of 75,000 tonnes per year," Bekkering said.

Other vehicle measures designed to cut carbon while raising city revenue, such as vehicle registration fees for Toronto's 1.6 million cars, were recommended in the climate plan but deferred until after provincial elections this fall.

Mayor David Miller followed his New York counterpart Michael Bloomerg by suggesting a road toll or congestion tax for cars entering the city, but that idea was also deferred until the fall.

Bloomberg had pushed New York's state senate to adopt his version of the congestion tax, which would have charged an $8 toll for cars and $21 toll for trucks entering the city, but the senate yesterday dropped the measure by adjourning before taking up the plan.

RECENT GLOBAL CARBON POLITICS

Australian Prime Minister John Howard will announce long-term greenhouse gas emission reduction targets next year, while setting a 2011 deadline for the launch of a domestic emissions trading scheme. Companies will be rewarded for reducing their emissions before the scheme begins.

The **European commission** overturned a previous decision and increased the amount of EU allowances Ireland can issue by 1.18 million per year to 22.3 million in the 2008-2012 period, after taking into account the country's budget for Kyoto project credits.

Japan has approved five more greenhouse gas reduction projects taking the total number of approved projects to 196, according to the Ministry of Economy, Trade and Industry. The projects will generate 1.23 million certified emission reductions (CERs) per year, taking the total number of possible CERs from Japanese approved projects to 86.3 million.

The **UK government** gave the go-ahead for a so-called code of best practices to be established for industries taking voluntary steps to offset their greenhouse gas emissions. The draft code offers businesses an opportunity to get some credit for reducing emissions outside of the Kyoto Protocol's market-based mechanisms and could be published as early as next week.

The market for **voluntary emissions reduction credits** was worth $91 million last year, with volume from the brokered market trebling compared to the previous year, according to a report by Ecosystem Marketplace and New Carbon. The report estimates 23.7 million credits were traded in the voluntary market in 2006.

The **German government** is confident the UN will approve its greenhouse gas emissions inventory, which is necessary for a country to be eligible for carbon trading under the Kyoto Protocol, according to a senior government official.

TGE, the Polish power exchange, expects trading of CO2 permits to pick up on its platform as Polish installations balance their carbon portfolio towards the end of this year.

GUEST COMMENTARY - Managing complexity in a "mosaic" of environmental markets

By Reiner Musier and John Melby, APX Inc.

The landscape of the US environmental markets over the next five years will be more complex and fragmented than any commodity market in US history.

That's a bold statement, but probably not an exaggeration. Multiply three new environmental commodities times dozens of states and the possibility of layered regional and federal rules, and you have quite a complex web that makes up the US environmental marketplace.

It's a marketplace that includes both voluntary and mandatory compliance markets. As states continue to lead the way, corporations are now also stepping forward with calls to action – and Congress is considering national market-based approaches.

Even with Federal legislation, a likely outcome is that the US will end up with "tiered systems" – meaning that some states and regions will be more aggressive in their greenhouse gas standards than the federal legislation, while others will be less aggressive.

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This is also likely for the renewable energy certificate (REC) markets. Companies operating in more aggressive states will see their carbon policy driven by those state policies. Businesses in states with non-existing or less aggressive greenhouse gas policies will be driven by a federal programme, once established.

State, regional and federal programmes will need to make choices regarding which greenhouse gases (CO2, methane, others) will be regulated, and in what industry sectors (power generation, agriculture, cement, transportation, manufacturing, and more). Current bills are not looking across all sectors, or even the same sectors.

State and federal legislators may also have differing views on where emissions should be regulated – upstream or downstream, at the source or the sink or load centres. Hybrid approaches are even contemplated where some resources and industries are regulated at the source, others as the sink.

The likelihood that states and regions will be exactly aligned among themselves and with the federal government across these dimensions is low. In fact, we think it's just about zero.

Further choices will need to be made regarding the relationships between the well-established renewable energy markets, energy efficiency, and the new greenhouse gas markets in the US. Finally, policy makers are counting on voluntary markets to drive considerable progress toward achieving environmental goals. Taken together, all of this creates huge complexity for market participants.

As we look across US voluntary markets for project based offsets and the greenhouse gas compliance market designs on the table, the new reality is that the US will be implementing a variety of different types and classes of offsets and emission allowances over the next years. These will likely also differ from current international schemes. For example, US handling of carbon offsets will likely be different than the EU-ETS project based CDM model.

US handling of carbon offsets will likely be different than the EU-ETS project based CDM model

What all this means is that corporations and financial firms will need a way to manage their environmental commodities and obligations (including carbon offsets and allowances, RECs, energy efficiency, and other commodities) across jurisdictions and across their portfolio, both in the US and internationally. It's not too early for regulators and corporations to start thinking about exactly how that is going to happen.

Point Carbon is happy to consider your proposals for Guest Commentaries in Carbon Market North America
Please submit ideas to Elizabeth Zelljadt at ez@pointcarbon.com

LEGISLATION

Bills with cap-and-trade systems for greenhouse gases proposed in the 110th US Congress

Title and sponsors	Reduction target and timeframe	Important attributes
Climate Stewardship and Innovation Act S. 280 Senators Lieberman (I-CT) and McCain (R-AZ)	Bring emissions to 2004 levels by 2012, to 1990 levels by 2020, to 22% below 1990 levels by 2030, and to 60% below 1990 levels by 2050.	Caps electric power, industrial, commercial, and transport sectors (economy-wide). Includes provision for clean development mechanism through which US companies gain credits for emission reductions they sponsor in developing countries. Provisions for expansion of nuclear power.
Global Warming Pollution Reduction Act S.309 Senators Sanders (I-VT) and Leahy (D-VT)	Stabilise global greenhouse gas concentrations below 450 parts per million: US reductions to 1990 levels by 2020 and 80% below that by 2050.	Economy-wide caps. National renewable energy quotas and energy efficiency goals with credit trading programmes.
Electric Utility Cap-and-Trade Act S.317 Senators Feinstein (D-CA) and Carper (D-DE)	Caps current emissions through 2011, then at 2001 levels by 2012, thereafter cap lowers further 1% each year through 2020, subject to EPA review.	Power sector only. Specifies auctioning of credits, use of offsets. Establishes independent scientific panel to make recommendations to the EPA every four years on the reduction rate required.
Climate Stewardship Act H.R. 620 House Reps. Olver (D-MA) and Gilchrest (R-MD)	Emissions stabilise at current levels from 2012 to 2019, then are reduced 15% by 2020, 38% in 2030, 75% by 2050 (which equals 70% below 1990 levels).	Same as Lieberman and McCain's, except offset credits may account for only 15% of emissions reductions, and "early action" credits limited to 20% of cap. Does not contain Senate version's nuclear provisions.
Global Warming Reduction Act S.485 Senators Kerry (D-MA) and Snowe (R-ME)	Reduce emissions to 60 per cent below 1990 levels by 2050, through increasing annual reductions starting at 1.5% a year for the first ten years.	Economy-wide caps. Nationwide renewable fuels standard. National renewable energy quota of 20% by 2020.
Safe Climate Act H.R.1590 Rep. Waxman (D-CA)	Emissions freeze at 2009 level in 2010. Beginning in 2011, emissions cut ~ 2% per year, falling to 1990 levels by 2020. Beginning in 2021, annual cuts of ~ 5%, falling to 80% below 1990 levels by 2050.	National renewable energy quota: 20% by 2020. Energy efficiency targets: increase gradually from 0.25% of electricity sales in 2010 to 1% of sales in 2012 and each following year through 2020.
Clean Air Planning Act S.1177 Senator Carper (D-DE)	Caps power plant CO_2 emissions at today's levels in 2012, at 2001 levels in 2015. Thereafter, annual reductions to achieve levels 25% below 1990 by 2050.	Power sector only, offsets allowed, output-based allocation, includes a new entrant reserve (carbon credits reserved for allocation to newly-built installations).
S.1168 Senators Alexander (R-TN) and Lieberman (I-CT)	Power plant CO_2 emissions capped at 2.3 billion tonnes (2006 levels) in 2011, at 2.1 billion in 2015, 1.8 billion in 2020 (1990 levels), and 1.5 billion tonnes in 2025 and beyond (~17% below 1990 level).	Power sector only, allows offsets, includes new entrant reserve of no more than 5% of the year's allowances, includes emissions performance standard for plants built after 2015 (no more than 1100 lbs. CO_2/MWh).
Clean Power Act Senator Sanders (I-VT)	Same as S.1168 for CO_2, and specifies that if no economy-wide greenhouse gas bill has been passed by 2012, then CO_2 emissions from power plants must be decreased each year by 3%.	Power sector only, CO_2 performance standards for new plants, renewable energy quota: 20% by 2020. Energy efficiency targets with credit trading system: gradual reduction of peak demand and overall electricity use.
Low Carbon Economy Act H.R. 620 Senators Bingaman (D-NM) and Specter (R-PA)	Calls for a reduction of greenhouse gases to 2006 levels by 2020 and to 1990 levels by 2030 .	Limits cost of allowances to $12 per tonne CO_2e in 2012, rising by 5% above inflation each year after that. Allowance allocation through 2017: 53% free, 24% auctioned, rest reserved certain sectors, projects. Tariffs on goods from high-emitting countries.

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