

## **STATES LAUNCH COORDINATED LOBBYING BLITZ TO BOOST ROLE IN CLIMATE BILL**

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State organizations in a coordinated lobbying effort are urging House and Senate lawmakers to provide a broader role for states than what is allowed in pending climate change legislation, including the ability to set stricter standards and regulate sectors excluded from the final version of whatever bill Congress passes.

Officials from six major state groups held two April 15 briefings with House and Senate staff to stress their belief that "states are good innovators and have the authority to take care of issues that may not be part of the federal bill, so we don't have our rights curtailed to do certain things," one state official says.

For example, states want to ensure that legislation does not preempt states from taking their own actions to combat climate change. Present at the briefings were officials from the National Governors Association, National Association of Regulatory Utility Commissioners (NARUC), National Conference of State Legislatures, National Association of Clean Air Agencies (NACAA), National Association of State Energy Officials, and the Environmental Council of the States (ECOS).

The move comes as federal officials are ramping up their efforts to move legislation. President Obama and other White House officials are calling for legislation this year to address the issue. Meanwhile, House Energy & Commerce Committee leaders are preparing to move a broad climate-energy bill that regulates greenhouse gases (GHGs).

But state sources say a draft version of the committee's bill floated earlier this month does not go far enough in protecting states' rights. The bill appears to transition existing emissions credits under the Northeast Regional Greenhouse Gas Initiative GHG trading program into the federal plan, but would preempt any state cap-and-trade program at least from 2012 to 2017 -- a key concern for state and local air officials.

The state official says that the groups did not ask for any commitments from staff nor receive any, but said the effort was designed to highlight issues of critical importance to states that mostly deal with ensuring states have authority to pursue their own climate regulations while working in sync with a federal plan.

For example, if the science on global warming changes in the coming years it may give some states "reason to ratchet down" on the level of emissions cuts they want to achieve. Ensuring that states have the ability to set some stricter targets than the federal plan could be a much simpler approach than Congress having to revise the entire bill a few years from now if the science changes and backs the need for stricter cuts, the source says.

And depending on what sectors the final federal bill ultimately excludes from regulation, states may want to retain authority to regulate those exempt sources at the state level, the source says.

Further, whatever compliance deadlines the final bill sets may be a problem for some states that may favor a more aggressive -- or less stringent -- timeline for mandating reductions in GHGs, the source adds. States want to ensure they have sufficient flexibility on all these issues, the source adds.

At the briefings, individual groups suggested specific policy points and circulated existing documents they have crafted on their preferred approach to climate legislation.

NACAA previously in its "Change Is In The Air" recommendations for the Obama administration has called for legislation that would create a mandatory economy-wide GHG-reduction program "that is flexible enough for a portfolio of strategies to be adopted in addition to such a program." A federal bill should also not preempt state or local governments from taking "additional and more stringent" actions to reduce GHG

emissions, the proposal said. The document also stresses that states and localities "have exercised leadership in combating global warming" through a host of local, state and regional action plans.

At the House and Senate briefings, officials from ECOS circulated resolutions that the group has adopted, including a March 23 resolution urging Congress to preserve states' rights to regulate GHGs. The ECOS resolution calls for "strong and explicit" language in a climate bill that upholds existing state and regional carbon trading markets and allows states to set GHG standards more stringent than the federal plan.

NARUC officials urged staffers to ensure any climate bill allocates the bulk of its emissions credits for a cap-and-trade program in a way that "will most likely benefit ratepayers," the state source says.

The state efforts come as federal policymakers are arguing it is imperative for Congress to quickly pass legislation. Rep. Edward Markey (D-MA), chair of the energy and environment subcommittee, told an April 13 energy conference at the Massachusetts Institute of Technology that the threat of EPA moving to regulate GHGs with its pending finding that GHGs endanger public health and welfare will drive Congress to act. "Now you have a choice if you're in Congress: Do you want the EPA to make the decision or would you like your Congressman and Senator to be in the room in drafting legislation? So, we think that this is a very helpful development that focuses the minds of industries and Congressmen and Senators all across the country," Markey said.

Obama's climate czar Carol Browner at the event also called for congressional action on climate legislation, arguing that it was important for Congress to act this year before international climate talks to craft a successor to the Kyoto Protocol begin in Copenhagen. Browner said she is "very confident that Congress is going to act," adding that it is the administration's "strong preference" that Congress address the issue in legislation.

And in an April 14 speech meant to explain the economic impacts of his policy decisions, Obama said "the only way" to refocus the country's energy supply on renewable sources is "through a gradual, market-based cap on carbon pollution, so that clean energy is the profitable kind of energy." -- Anthony Lacey