

## Waxman-Markey Bill (2009)

Passed House of Representatives 219-212; never taken up by Senate

Targets: The bill required a 17-percent emissions reduction from 2005 levels by 2020 and 83 percent by 2050. It set the same target for reductions in emissions of carbon dioxide, methane, and other greenhouse gases than that proposed by President Barack Obama.

Impact on Budget: A study in June 2009 by the non-partisan Congressional Budget Office (CBO) indicated that the bill would be roughly deficit-neutral for the government over the next decade and reduce the budget deficit between \$4 and \$9 billion.

### Features

**Cap & Trade System** - Proposed a cap and trade system, under which the government would set a limit (cap) on the total amount of greenhouse gases that can be emitted nationally. Companies then buy or sell permits to emit these gases, primarily carbon dioxide CO<sub>2</sub>. The cap is reduced over time to reduce total carbon emissions. The legislation would set a cap on total emissions over the 2012–2050 period and would require regulated entities to hold rights, or allowances, to emit greenhouse gases. After allowances were initially distributed, entities would be free to buy and sell them (the trade part of the program). Those entities that emit more gases face a higher cost, which provides an economic incentive to reduce emissions. Key elements of the bill include. Revenue from cap-and-trade goes to prevent tropical deforestation and subsidize low-income household energy costs.

**Renewal Energy Standard** – Requires electric utilities to meet 20% of their electricity demand through renewable energy sources and energy efficiency by 2020.

**Money for Clean Energy** - Subsidizes new clean energy technologies and energy efficiency, including renewable energy (\$90 billion in new subsidies by 2025), carbon capture and sequestration (\$60 billion), electric and other advanced technology vehicles (\$20 billion), and basic scientific research and development (\$20 billion).

**Money to Modernize Electric Grid** - It provides for modernization of the electrical grid

**Money to Develop Electric Vehicles**

**Mandates Energy Efficiency** - Significant increases in energy efficiency in buildings, home appliances, and electricity generation.

**Limits costs to consumers** - Protects consumers from energy price increases. According to estimates from the Environmental Protection Agency, the reductions in carbon pollution required by the legislation will cost American families less than a postage stamp per day (about \$13.20 a month, and \$160.60 a year ).

## Criticism

- The Wall Street Journal accused the Congressional Budget Office (CBO) of significantly underestimating the bill's ultimate costs
- The Wall Street Journal also suggested that the bill's costs would disproportionately affect lower-income households
- The American Petroleum Institute, which represents the petroleum and natural gas industry, said the bill would place "disproportionate burden on all consumers of gasoline, diesel fuel, heating oil, jet fuel, propane and other petroleum products", and by 2035, it would cause gasoline prices in excess of \$4.00 per gallon by today's standards.
- Supporters of nuclear power criticized the lack of specific support for nuclear power
- A few environmental groups felt it didn't go far enough, were disappointed it stripped the EPA of the power to regulate GHG emissions, and felt that industry would find ways to scam the cap and trade system. They preferred a simple carbon tax.

## Cantwell-Collins Bill (2009)

Alternatively, Senators Maria Cantwell and Susan Collins introduced the Carbon Limits and Energy for Americas Renewal (CLEAR) Act ([S. 2877](#)). This bill proposed a Cap and Dividend approach in which 75% of the revenue goes to tax payers and the rest to development of renewable energy. The targets were the same as the Waxman-Markey Bill.

## Kerry-Lieberman-(Graham) Bill (2009/10)

Senators John Kerry, Lindsey Graham and Joe Lieberman worked on a bipartisan bill that never came for a vote. It set those same carbon reduction standards through 2050, but it contained a slew of other measures as a means of drawing votes from coal-state Democrats and moderate Republicans. Chief among those measures were incentives for the natural gas industry, loans for new nuclear plants, and expansion of offshore drilling along the Atlantic coast. The BP oil spill killed support for the bill among Democrats and Republicans would not commit. Graham eventually walked away from the effort.

(from *Wikipedia* and *American Geophysical Union* websites)