

# Think global, act local

**David Bubenick** and **Brian Jones** review the groundswell of activity in the US now under way at state and local level to tackle emissions of greenhouse gases

**O**n 14 February, President Bush announced the much-anticipated Clear Skies and Global Climate Change Initiatives. These consist of 'cap-and-trade' programmes for emissions of nitrogen oxides (NOx), sulphur dioxide (SO<sub>2</sub>) and mercury and a voluntary approach to slow the growth in greenhouse gas (GHG) emissions.

The Global Climate Change Initiative proposes to reduce the GHG intensity of the US economy by 18% in the next 10 years.

As part of the initiative, Bush directed improvements be made to the current voluntary emission reduction registration programme under section 1605(b) of the 1992 Energy Policy Act by June this year. These improvements will enhance measurement accuracy, reliability and verifiability. Furthermore, the president directed the secretary of energy to recommend reforms to ensure that businesses and individuals that register reductions are not penalised under a future climate policy.

As the government in Washington continues to develop and seek international and domestic support for its Global Climate Change Initiative, a growing contingent of state and local governments are proceeding independently to reduce emissions of GHGs within their jurisdictions. There is likely to be growing interest in credit trading opportunities as these programmes are implemented. Here is a sample of the initiatives under way:

□ Massachusetts has established an emissions performance standard for the six largest power plants in the state, expressed as pounds of carbon dioxide (CO<sub>2</sub>) per MWh of electricity generated, to be reached by 2008. GHG credits can be purchased to assist in achieving this target.

□ New Hampshire is debating a bill to cap emissions of NOx, SO<sub>2</sub> and CO<sub>2</sub> from its three fossil-fired power plants. As currently pro-

posed, CO<sub>2</sub> emissions are to be reduced to 1990 levels by 2010.

□ The Conference of New England Governors and Eastern Canadian Premiers – which includes the governors of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont and the premiers of Quebec, Newfoundland, New Brunswick, Nova Scotia, and Prince Edward Island – has approved a Climate Change Action Plan to reduce regional GHG emissions to 1990 levels by 2010 and at least 10% below this level by 2020.

□ In June 2001, Suffolk County in New York state set a CO<sub>2</sub> emissions performance requirement for all electricity generating and steam generating units at a level of 1,800lbs/MWh. This county-wide emissions rate will be reduced by 1% for every 100 MW of electric generating capacity installed within the county until it has been reduced by 20%. Elsewhere in New York state, Nassau County and New York City are considering similar programmes. In addition, the state has set up a GHG task force to develop policies and strategies to reduce GHG emissions, with recommendations due in May. A recommendation to establish a state-wide CO<sub>2</sub> cap is expected in addition to a multi-pollutant (NOx, SO<sub>2</sub>, mercury and CO<sub>2</sub>) cap-and-trade programme for the electricity generating sector.

□ Oregon has established CO<sub>2</sub> emissions standards for new energy facilities. Rules are provided for the implementation or funding of emissions offset projects to assist in achieving these standards.

Progress is also being made in establishing GHG registries across the country. Wisconsin has created a voluntary GHG registry and the California Climate Action Registry is under development. Other states that have developed, or are developing, GHG registries include New Hampshire, New Jersey, Massachusetts and Texas (see Table).

This patchwork of existing and emerging GHG policies at the regional, state and local



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levels is an attempt to fill the void left by the inactivity of the Bush administration. But state and local policies are not the most efficient way to reduce CO<sub>2</sub> emissions. Instead, a consistent national policy with international linkages would provide the greatest environmental benefit for the lowest economic cost.

But it is important to note that these state and local government programmes not only impact the affected facilities and companies who own them but also influence (both positively and negatively) national GHG policies as they evolve. How these various programmes are structured in terms of the appropriate use of emissions trading for compliance flexibility, the eligibility of carbon offset projects in terms of specific strategies and geographic location, and the consistency of the emissions control requirements will be heavily scrutinised by all stakeholder groups. Even though these are small emissions control programmes compared to those necessary to address global climate change, the lessons learned will undoubtedly impact policy discussions as they gain momentum in Washington DC.

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## State/regional GHG reduction measures

State/Jurisdiction	Electricity sector CO <sub>2</sub> reductions	State-wide CO <sub>2</sub> reductions	GHG registry	Emissions trading
California			✓	
Massachusetts	✓		✓	✓
NE Governors/EC Premiers		✓	✓	✓
New Hampshire	✓		✓	✓
New Jersey		✓	✓	
Oregon	✓		✓	✓
Suffolk County, NY	✓			✓
Wisconsin			✓	