

Summary of the Global Warming Pollution Reduction Act of 2006

The Global Warming Pollution Reduction Act of 2006 is based on the increasing scientific evidence that global warming poses a significant threat to the national security and economy of the United States, to public health and welfare, and to the global environment, and that actions can and must be taken soon to begin the process of reducing emissions substantially over the next fifty years. The bill sets out a roadmap of targets, requirements and incentives that EPA will use to reduce U.S emissions and help stabilize global atmospheric concentrations of greenhouse gases.

- Global concentrations of greenhouse gases are higher than ever and during the past years global temperatures have risen by almost 1 degree Fahrenheit. Nine out of the past 10 years are among the warmest 10 years on record.
- In order to avoid some of the most dangerous consequences of global warming, the United States, which is the largest emitter of greenhouse gases, must take action soon to reduce its emissions substantially.
- There exists an array of technological options for use in reducing greenhouse gas emissions and significant reductions can be attained using a portfolio of technologies that will not adversely affect the economy.
- The bill sets a goal of achieving a reduction in U.S. greenhouse gas emissions that will contribute to stabilizing global concentrations of carbon dioxide below 450 parts per million.
- To achieve this goal, the United States must reduce its emissions of carbon dioxide and its equivalents to 1990 levels by 2020 and make additional reductions between 2020 and 2050. The bill includes a combination of economy wide reduction targets, mandatory measures, and incentives for the development and diffusion of cleaner technologies to achieve these goals.

Targets

The Global Warming Pollution Reduction Act of 2006 requires that the U.S. reduce its emissions of greenhouse gases between 2010 and 2020 to 1990 levels. By 2030, the U.S. must reduce its emissions by an amount equal to 1/3 of 80% percent below 1990 levels, by 2040 by 2/3 of 80% percent below 1990 levels and by 2050, to a level that is 80 percent below 1990 levels.

In the event that global atmospheric concentrations of carbon dioxide exceed 450 parts per million or that average global temperatures increase above 2 degrees Celsius (3.6 degrees Fahrenheit) above the pre-industrial average temperature, EPA can require additional reductions. The National Academy of Sciences will report to EPA and the Congress regarding whether such events have occurred.

Specific Provisions

Section 701 contains findings related to climate change and announces the goal of reducing U.S. emissions to facilitate stabilization of global atmospheric concentrations below 450 parts per million.

Section 702 announces the purposes of the bill, which are to achieve a reduction in U.S. emission consistent with stabilization of atmospheric concentrations below 450 parts per million and to prevent global temperature increases by 2 degrees Celsius (3.6 degrees Fahrenheit) above the pre-industrial average, by reducing emissions by 80 percent by 2050. In doing so, the United States will be positioned as the world leader in reducing the risk of potentially devastating and wide ranging impacts associated with climate change and in developing and implementing low carbon energy technologies and strategies.

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Section 704 contains mandatory emission reduction milestones leading to an 80 percent reduction by 2050. The bill does not require a cap and trade program, but in the event that EPA uses a cap and trade system, it is directed to consider a declining cap with a technology based stop price. Such a mechanism is designed to provide a smooth glide path for reductions that is keyed to the price of available technologies.

Section 705 sets conditions for accelerated reductions, including if greenhouse gas concentrations exceed 450 parts per million or there is an increase in global average temperatures above 2 degrees Celsius (3.6 degrees Fahrenheit). The NAS will report to EPA and the Congress regarding the occurrence of such events.

Section 706 provides for allocation of allowances in any cap and trade program to be allocated for transition assistance for industries and to consumers disproportionately affected by the transition to a low carbon economy, as well as to other low carbon or carbon sequestration technologies.

Section 707 contains vehicle greenhouse gas emission standards for cars and light-duty vehicles as well as medium and heavy-duty vehicles and directs EPA to consider reductions available from non-road vehicles.

Section 708 contains mandatory greenhouse gas emissions standards for all power plants built after 2012 with a compliance date of 2016. By 2030, final standards will apply to all power plants regardless of when they came online.

Section 709 contains an increasing low carbon generation requirement for electricity generation from coal, petroleum coke, lignite, biomass or any combination. By 2015, 0.5 percent of electricity generation based on the above resources would need to be low carbon, with an increasing percentage of 1 percent each year until reaching 5 percent by 2020.

Section 710 contains standards for geological disposal of greenhouse gases.

Section 711 provides for a research and development program on global climate change.

Section 712 contains an energy efficiency standard requiring reductions in end use electricity consumption.

Section 713 contains a renewable portfolio standard requiring a minimum annual percentage of 20 percent renewable electricity by 2020..

Section 714 contains standards for biological sequestration of carbon including in forests and soils.

Section 715 provides for a waiver of the requirements of this bill in the event of a national security emergency as determined by the President.

Section 716

- contains a standard for renewable fuels mandating 5,000,000,000 gallons annually beginning in 2015, through an amendment of the Clean Air Act;
- includes the sense of the Senate that the U.S. should reengage in international climate change discourse; requires annual trade reports to Congress from federal agencies;
- requires the consideration of climate change under NEPA; and
- directs the Securities and Exchange Commission to promulgate regulations requiring corporate disclosure of climate change risks.