

SUMMARY OF “GLOBAL CLIMATE RESPONSE ACT OF 2007”

The bill establishes a three-phased program of responses through 2050 to allow the U.S. economy to transition away from the use of greenhouse gas-emitting fossil fuels. The bill:

- Affects all sectors of the U.S. economy;
- Encourages greater deployment of energy efficiency programs, renewable energy resources, and adequate funding for technology development;
- Phases in a greenhouse gas reduction program over a reasonable period of time to provide a balanced transition for the electricity sector and to take into account technology availability, reliability and economic feasibility;
- Provides flexible interim benchmarks to ensure progress and to accommodate developments in scientific knowledge and accelerated technology development;
- Authorizes electric utilities to recover all costs necessary to achieve mandated greenhouse gas emission reduction levels; and
- Provides self-implementing “off-ramps” if international greenhouse gas emissions control regimes emerging after the Kyoto Protocol are not compatible with this bill.

Phase I (2007 – 2019) (incentives, mandates and technology development)

Electric Power Sector

- Industry-funded R&D program
- Clean technology portfolio standard
- Section 45 renewable energy production tax credit extension
- Energy efficiency mandates
- Provisions to advance zero and low carbon generation sources

Transportation Sector

Fuels

- Renewable fuel standard expansion
- Modification of ethanol tax credit (VEETC) to promote energy-efficient production
- Expansion of E-85 infrastructure
- Coal-to-liquids incentives

Autos

- Vehicle CAFÉ standard increases and program reforms
- E-85 vehicle capability requirement
- Fuel-efficient federal fleet requirements
- Tax incentives for purchase of fuel efficient vehicles

Ground Freight and Rail: DOT review of operations to reduce GHG emissions and R&D program

Aviation: FAA program to increase efficiency by 1% annually and R&D program

Industrial Sector

- Industry-specific reviews with recommendations to improve efficiency
- R&D program to increase efficiency in major emitting industries

Government Policy

- Comprehensive review of all federal policies to reduce GHG emissions
- All federal agencies to improve energy efficiency by 30% by 2015
- Federal government assume legal responsibility for spent nuclear fuel by 2020
- 5-year reviews of international commitments, with authority to suspend requirements of Act as a result of global non-enforcement

Phase II (2020-2030) (generation performance standards for power plants and economy-wide carbon intensity targets)

Establishment of economy-wide carbon intensity requirements

- Level and schedule of target carbon intensity targets
- Establish a safety valve allowance mechanism and price schedule
- President to issue reports every five years as to whether to reduce or increase carbon intensity targets by up to 10% based on technology, national security, economic, international cooperation, and climate science considerations

Establishment of generation efficiency performance standards

- Industry-funded R&D program
- Establishment of standards by fuel type
- Increase efficiency standards by 10 percent each succeeding five years

Establishment of carbon-based fuel efficiency standards by vehicle class

- Industry-funded R&D program
- Establish standards by vehicle class
- Increase standards by 10% each succeeding five years

Establishment of efficiency standards for aircraft, rail and industrial boilers

Phase III (2030 – 2050) (enforcement mechanism to achieve a 25% reduction of U.S. greenhouse gas emissions from 2000 levels by 2030)

Adoption of enforcement mechanism to achieve mandatory emissions reductions

- “Fast track” recommendation to Congress on appropriate mechanism to achieve 25% reduction in GHG emissions below 2000 levels by 2030
- Requirement that U.S. reduce greenhouse gas emissions levels by additional 10% in each succeeding 5-year period
- Authorizes electric utilities to recover all costs necessary to achieve mandated greenhouse gas emission reduction levels;
- Coordination with existing state programs
- If President notifies Congress that major developed and developing countries have failed to participate in such an international greenhouse gas emissions control regime, the Act shall be null and void.