

Question 1. Point of Regulation

Submitter's Name/Affiliation: John Coequyt / Greenpeace US

Who is regulated and where?

Never before has humanity been forced to grapple with such an immense environmental crisis. To avoid the worst impacts of global warming will require a sustained international effort to dramatically reduce fossil fuel use around the globe.

If the international community is going to act together to limit global warming, it needs to agree on a common goal. The European Union formally set the goal of limiting global warming to 2 degrees Celsius (3.5 degrees Fahrenheit above pre-industrial levels) and we urge the United States to do the same. If we do not take immediate action to limit global warming to 2oC, the damage could be catastrophic and irreversible.

Scientific and environmental opinion confirms that global warming needs to be limited to less than 2 degrees Celsius and that the global warming should be reduced as fast as possible from this peak.¹

To have a reasonable chance of limiting global warming to 2oC, atmospheric greenhouse gas concentrations must be kept well below 450ppm in the long-term. A recent study found that if greenhouse gas concentrations were stabilized at 450ppm there is a roughly fifty-fifty chance of exceeding 2oC, and that only with concentrations of 400ppm would the chance of limiting warming to 2oC be considered likely. The higher the peak concentration of CO2 the lower will be the chance of meeting this target and of reducing atmospheric concentrations of CO2 to anything near 400ppm.^{2,3}

In order to meet this, or any target in the neighborhood, the United States will likely need to reduce greenhouse gas emissions 60 to 80 percent by mid-century. Congress should begin the process immediately of setting up policies that will put the United States on track to achieve large reductions in global warming gasses.

The core policy achieve reductions of this scale is legally binding tradable system. The binding caps will provide the core of a system that will drive rapid technological development and diffusion, and provide the technological basis for win-win solutions to climate and sustainable development objectives.

¹ Hansen, J. E. (2005). "A slippery slope: How much global warming constitutes "dangerous anthropogenic interference"?" Climatic Change 68(3): 269-279.

² Hare, W. L. and M. Meinshausen (2005). "How much warming are we committed to and how much can be avoided?" Climatic Change, accepted.

³ Meinshausen, M., W. L. Hare, et al. (2005). "Multi-gas emission pathways to meet climate targets." Climatic Change Accepted: 50.

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Clarifying Question 1a:

- Is the objective of building a fair, simple, and rational greenhouse gas program best served by an economy-wide approach, or by limiting the program to a few sectors of the economy?

The solutions to global warming must be economy wide. Any trading system, which will be a major part of that solution, should seek to include as large a percentage of our global warming gasses as possible. It also needs to be backed by strong national policies that are consistent with the goal of limiting global warming to 2oC.

The system should include all large global warming gas polluters, including the electricity sector. Ideally such a system would include the transportation sector and would work in concert with oil savings legislation, a greatly increased automobile fuel efficiency standards, and other mechanism designed to reduce domestic oil consumption. The minimal option would be to create an emission-trading program that is similar to the European Union trading system (ETS). The ETS covers over 11,500 energy-intensive installations across Europe, which represent close to half of Europe's emissions of carbon dioxide. These installations include combustion plants, oil refineries, coke ovens, iron and steel plants, and factories making cement, glass, lime, brick, ceramics, pulp and paper. Such a system would be a workable first step toward meeting a goal of a comprehensive plan to limit all global warming gasses in the United States.

The trading program must set aggressive targets for reductions and strict timetables for meeting the targets. The program should call for immediate stabilization of carbon dioxide emissions with reductions required in five to ten years consistent with the goals of the Regional Greenhouse Gas Initiative recently established in New England and the developing West Coast Governors' Global Warming Initiative.

It is essential that a national cap on global warming pollution be supported by a set of additional policies that help make those targets achievable and address global warming pollution in areas that are not covered by the trading program. These policies would include:

- A national renewable portfolio standard
- Doubling of CAFE standards
- Tax on gasoline, diesel and jet fuel
- Long-term extension of renewable energy tax credits
- Ending of federal subsidies to fossil fuels and nuclear energy
- Updated building codes and incentives
- Promotion of smart growth and public transit
- Improved standards for appliances and electronics
- Promotion of sustainable offshore wind
- Triple funding for research and design for renewable energy and energy efficiency
- Government purchasing policies
- Zero energy home mandates
- Energy efficiency funding requirements for electric utilities