



## **Executive Director's Report**

**National Association of Clean Air Agencies  
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# What I Will Cover

- ❑ **Major Legislative Initiatives this Congress**
  - ◆ Regulating Greenhouse Gas Emissions
  - ◆ Attempts to Curtail EPA's Authority
  - ◆ Multi-Pollutant Strategies
  - ◆ Energy and Renewable Electricity Standards
  - ◆ Transportation
  - ◆ FY 2011 Appropriations
- ❑ **What to Expect in a Lame Duck Session**
- ❑ **The Landscape for Next Congress**

# Regulating Greenhouse Gas Emissions

- **Waxman-Markey (passed House 219-212 in June 2009)**
  - ◆ GHG reduction targets of 17% below 2005 levels by 2020 and 83% below 2005 levels by 2050
  - ◆ State and local authorities retained, except cap-and-trade programs are preempted during 2012-2017
  - ◆ Performance standards for new coal-fired EGUs phased in
- **Kerry-Boxer (passed Senate EPW 11-1 in Nov 2009)**
  - ◆ Similar in many respects to W-M bill
  - ◆ Retains EPA authority to regulate GHGs in many areas where W-M preempted it (PSD permitting, NSPS for capped sources)
  - ◆ Preemption of state & local cap-and-trade programs delayed if launch of federal program is delayed

# Regulating Greenhouse Gas Emissions (cont.)

- **Kerry-Lieberman (introduced May 2010; no action taken)**
  - ◆ Similar in many respects to W-M bill
  - ◆ Coverage of sectors delayed somewhat (EGUs beginning in 2013; other industrial sectors beginning in 2016)
  - ◆ Transportation sector covered through fuel producers and importers; buy allowances at a fixed price
  - ◆ Same restrictions on NSPS as W-M, except while EPA is prohibited from setting NSPS for sources **INSIDE** the cap (same as W-M), EPA may set NSPS for EGUs not subject to the performance standards in the bill

# Attempts to Curtail EPA's Authority

- ❑ **Senate Resolution to Overturn Endangerment Finding Using Congressional Review Act**
  - ◆ Proposed by Senator Lisa Murkowski (R-AK); Rejected on June 10, 2010 by a vote of 53-47 (S.J. Res. 26)
- ❑ **Senate Bill to Delay EPA's Regulation of GHGs from Power Plants and Other Stationary Sources for Two Years**
  - ◆ Proposed by Senator Jay Rockefeller (D-WV); May be considered during the lame-duck session
- ❑ **House Appropriations Amendment to Impose Similar Two Year Delay**
  - ◆ Attempt to attach "rider" to Interior and Environment Subcommittee FY2011 spending bill; failed on July 22, 2010 with 7-7 deadlock

# Multi-Pollutant Strategies

## □ **Senator Carper's "3-P" Bill, S. 2995**

- ◆ Reduces SO<sub>2</sub> emissions by 80 percent, from 7.6 million tons in 2008 to 1.5 million tons in 2018
- ◆ Reduces NO<sub>x</sub> emissions by 53 percent
  - ✓ Zone 1—1.3 million ton cap beginning in 2015
  - ✓ Zone 2—320,000 ton cap beginning in 2015
- ◆ Reduces mercury emissions from EGUs by *at least* 90 percent no later than 2015
- ◆ Carper announced 9/17/10 that he would not proceed with mark up of bill in Senate EPW Committee

# Renewable Electricity Standard

## □ Senate

- ◆ American Clean Energy Leadership Act of 2009 (S. 1462) – Bingaman (D-NM), Reported by Senate ENR Committee 6/16/10
  - ✓ RES – 3% beginning in 2011, ratcheting up to 15% in 2021 (through 2039); preserves state/local authority to set more stringent RES
  - ✓ Renewable energy = solar, wind, geothermal, ocean, biomass, landfill gas, qualified hydropower, marine and hydrokinetic renewables, coal-mined methane and qualified waste-to-energy
- ◆ Renewable Electricity Promotion Act of 2010 (S. 3813) – Bingaman (D-NM) and Brownback (R-KS), Introduced 9/21/10
  - ✓ RES – 3% beginning in 2012, ratcheting up to 15% in 2021 (through 2039); preserves state/local authority to set more stringent RES
  - ✓ Same renewable energy sources as S. 1462
- ◆ RES Bill – Graham (R-SC), Introduced 9/29/10
  - ✓ Counterproposal to Bingaman-Brownback RES bill – 13% of electricity from clean energy sources by 2013, 20% by 2020
  - ✓ Nuclear energy, clean coal and expanded definition of biomass considered clean energy sources

## □ House

- ◆ American Clean Energy and Security Act (H.R. 2454) – Waxman-Markey Bill, Approved by House 6/25/09
  - ✓ RES – 6% by 2012, increasing by about 3% per year to 20% in 2021; preserves state/local authority to set more stringent RES

# Transportation

- **SAFETEA-LU** – Signed into Law in 2005, Expired September 30, 2009
  - ◆ Congress has extended through December 31, 2010
  - ◆ Authorizes spending for federal surface transportation programs like highway, transit, motor carrier, freight, safety & research, as well as CMAQ
- **House Action**
  - ◆ Transportation and Infrastructure Subcommittee on Highways & Transit approved 6-year, \$500-billion Surface Transportation Authorization Act 6/25/09
    - ✓ Authorization nearly twice that of SAFETEA-LU (\$286 billion)
    - ✓ Largely an infrastructure bill
    - ✓ Makes diesel retrofits ineligible for CMAQ funding
    - ✓ Mirrors weak transportation planning provisions of Waxman-Markey climate bill



# Transportation (cont.)

- ❑ **Senate Action**

- ◆ None

- ❑ **Administration Action**

- ◆ Labor Day announcement by President Obama of outline of comprehensive plan for renewing and expanding nation's roads, railways and runways
  - ✓ Includes “front-loaded” new investment (\$50 billion) and longer-term framework for spending over next six years under reauthorized surface transportation program
  - ✓ U.S. DOT aiming to release proposed bill in February 2011

# FY 2011 Appropriations

- **President's FY 2011 budget request calls for increase of \$82.5 million in Section 103/105 grants**
  - ◆ Core activities (\$45 million)
  - ◆ Increasing capacity for greenhouse gas permitting (\$25 million)
  - ◆ Air pollution monitoring (\$15 million), with \$2.5 million decrease in air toxics monitoring around schools
  - ◆ House Subcommittee marked up bill; unofficial reports are positive
  - ◆ Continuing Resolution signed into law providing funding at FY2010 levels until December 3, 2010

# What to Expect in a Lame Duck Session

- ❑ **FY 2011 Appropriations—Omnibus Bill or Continuing Resolution?**
- ❑ **Climate Legislation—Dead**
- ❑ **Energy/RES—Possible Action, But Schedule is Tight**
- ❑ **Rockefeller Amendment—Not Likely to Pass**
- ❑ **Transportation—Will Need to be Extended into 2011**

# The Landscape for Next Congress

## □ **If Republicans Take Over the House....**

- ◆ New Speaker—Boehner (OH)—“there’ll be no cap and trade”
- ◆ New Chairman of House Energy and Commerce Committee
  - ✓ Barton (TX)—could return as Chairman, but is term-limited
  - ✓ Upton (MI)—more moderate
- ◆ Expect numerous oversight hearings on Obama/EPA policies

## □ **If Republicans Take Over the Senate....**

- ◆ Inhofe (OK), possibly Vitter (LA) could serve as Chairman of EPW
- ◆ Expect numerous oversight hearings

## □ **If Democrats Retain Control of the Senate....**

- ◆ If Boxer wins, she likely retains Chairmanship of EPW
- ◆ If Boxer loses, Carper (DE) may become Chairman

# For Further Information:

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