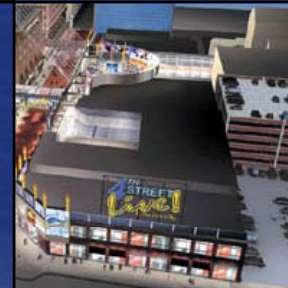




Summary of the Lieberman-Warner Climate Security Act

 METRO
Louisville

Art Williams



Lieberman-Warner Climate Security Act

SENATE BILL 2191

- Introduced October 18, 2007
- States represented by sponsors-CT, VA, MD, MN, NC, NY, OR, PA, MA, IA, FL
- Passed out of subcommittee on December 5, 2007
- Scheduled for floor vote on June 2, 2008

Analyses of the Bill

- Detailed Congressional analysis of the bill online at:

<http://lieberman.senate.gov/documents/detailedacsa.pdf>

- Detailed EPA analysis of the bill online at:

www.epa.gov/climatechange/economics/economicanalyses.html

Economy-Wide Coverage

- Upstream on Petroleum, Natural Gas, F-Gases, and N2O
- Downstream on coal facilities that use over 5000 tons per year

GHG Emission Targets for Covered Sectors

Targets Decline in Each Calendar Year

- 2012: 5,775 MMTCO₂E
- 2020: 4,924 MMTCO₂E
- 2030: 3,860 MMTCO₂E
- 2050: 1,743 MMTCO₂E

(70% BELOW 2005 LEVELS FROM
COVERED FACILITIES)

Lieberman-Warner Climate Security Act

- Establishes a market-driven system of tradeable emission allowances
- Establishes a separate cap and trade system for HFCs

Lieberman-Warner Climate Security Act

- Domestic offsets may be used to meet 15% of compliance obligation
- International credits may be used to meet 15% of compliance obligation
- Establishes a carbon market efficiency board-monitors market, uses cost relief measures (increased borrowing, use of offsets)
- Unlimited banking is allowed; owners/operators can borrow up to 15% of annual compliance obligation from future years

Lieberman-Warner Climate Security Act

- Set-asides for agriculture, forestry sequestration, landfill and coal mine methane
- Bonus allowance for carbon capture and storage
- International reserve allowance requirement (8 years after enactment importers of GHG intensive products from countries without GHG policies= U.S. must submit credits)

Allowance Account for Regulated Emitters

- 2012: 43%
- 2022: 28.5%
- 2031: 0 %

Allowance Account for Entities Other Than Regulated Emitters

- 2012: 57%
- 2022: 71.5%
- 2031: 100%

Annual Auction

- 2012-26.5%; 2022-41%; 2031-69.5%
 - States-10.5% each year
 - Electricity Consumers-9%
 - Farmers and Foresters-5%
 - International Forest Protection-2.5%
 - Natural Gas Consumers-2%
 - Coal mine, landfill methane-1%
 - Tribal Governments-0.5%

Uses of Auction Proceeds

- Technology Deployment-52%
- Low-income Energy Consumers-18%
- Wildlife Adaptation-18%
- International Adaptation-5%
- Worker Training-5%
- Advanced Energy Research-2%

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