Friends of the Earth Fact Sheet

A step too short: Obama's new carbon pollution rules must be strengthened

In the most significant step any American president has taken to mitigate climate disruption, President Obama <u>proposed limits</u> on the carbon pollution from existing power plants. Carbon pollution from the electric power sector contributes almost <u>40 percent</u> of the country's total emissions. While regulating emissions from power plants is an important step, the rule is not stringent enough to force the emission reductions necessary to avoid the worst impacts of global climate disruption. Some of the ways that President Obama must strengthen the rule include:

- Increasing targets. The proposed rule establishes <u>emission reduction goals</u> for every state except for Vermont, which has no fossil-fuel electric power plants. These targets range from <u>far too lenient</u> to steep reductions that would <u>already have taken place</u> without the rule. These individual state targets add up to a national goal, which will not avert the worst impacts of climate disruption. International groups of scientists <u>have warned</u> that developed countries like the United States must reduce their economy-wide emissions <u>50 percent below 1990 levels</u> by 2020 to have a medium chance of keeping warming to two degrees Celsius. Even a <u>top aide</u> to President Obama has admitted that the rule is woefully insufficient to meet the reductions that science demands.
- **Requiring reductions sooner.** Greenhouse gas emissions remain in the atmosphere for decades after they are released so they have a strong cumulative effect.



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That means that reductions that are made immediately are more important than reductions in future years. The longer states are given to comply, the more today's emissions are magnified, making immediate action essential to avoid catastrophic climate disruption. Waiting 15 years to mandate reductions is an unacceptable delay that jeopardizes the possibility of keeping atmospheric concentrations of carbon dioxide at sustainable levels. The Intergovernmental Panel on Climate Change has found that <u>significant reductions</u> are needed by 2020 to stop global warming from exceeding two degrees Celsius above pre-industrial levels. Therefore, President Obama should require substantial reductions by 2020 with even greater reductions in future years.

- **Changing the base year.** The internationally binding Kyoto Protocol used 1990 as the base year for global greenhouse gas emission reductions. Since then, 1990 has become the global standard for emissions reductions. Despite this precedent, the draft rule establishes a base year of 2005. Emissions were at their height in 2005 before the economic recession, energy efficiency measures and increased renewable energy production led to a reduction of total annual emissions in the United States. Since then, emissions in the United States have declined from more than 7,200 million metric tons of carbon dioxide equivalent in 2005 to about 6,500 MMT in 2012. When the United States' economy-wide emissions are taken into consideration, the current target would only result in a 7.7 percent reduction of power sector greenhouse gas emissions below 1990 levels, which were about 6,200 MMT, by 2030. Using 1990 as the base year makes sense because the rest of the world understands its significance. It also clearly demonstrates the actual emission reductions that the rule requires, rather than taking credit for emission reductions which have already occurred.
- **Promoting clean renewable energy.** The proposed rule projects that coal and natural gas will each contribute 30 percent of the country's energy generation under these targets. Climate mitigation cannot be achieved if those dirty fuels remain in the country's energy mix. The Union of Concerned Scientists states that <u>reductions of 50 percent</u> can be achieved if the EPA puts forward a strong rule, and



if both renewable energy and energy efficiency play significant roles. Greenpeace finds that the energy mix could be radically different from EPA estimates: renewables could feasibly constitute <u>more than 70</u> <u>percent</u> of the energy mix by 2030. A massive shift away from fossil fuels to renewable energy is necessary to avoid the worst impacts of climate change.

- **Discouraging nuclear energy.** The proposed rule would prop up existing reactors that are not economically viable. It does this by using a deeply flawed formula for calculating electricity from the existing reactor fleet. Based on an Energy Information Administration estimate, the rule assumes a shutdown of approximately six percent of current U.S. nuclear capacity before 2020. EPA then discounts the baseline levels for nuclear by six percent and encourages states to claim carbon reductions from existing nuclear plants rather than shutting them down as planned. This provides aging reactors with a subsidy to continue operating and skews accounting for additional low-carbon electricity capacity.
- **Reducing reliance on natural gas.** The rule encourages natural gas as a cleaner alternative to conventionally coal-fired power plants by claiming that it would result in up to 40 percent emission reductions. In reality, methane leakage from the extraction, processing and transportation of natural gas make it worse for the climate than coal. Additional natural gas would require increased fracking. Therefore, the proposed rule would further endanger the public with greater poisoning of our <u>air</u> and <u>water</u>, a potential increase in <u>earthquakes</u> and even more <u>methane leakage</u>. Natural gas is not real solution and should not be encouraged in the rule.
- Allowing a carbon tax. The EPA rule has provided flexibility in the way that states can comply with the rule. While a carbon tax would <u>likely be allowable</u> under the rule, the EPA does not explicitly affirm this. The proposed rule does discuss building on current state cap-and-trade programs, such as the Regional Greenhouse Gas Initiative and California's economywide emission trading program, but only mentions the need for comments on whether a carbon price could be a compliance mechanism. The EPA should clarify that states are allowed to implement a carbon tax as a compliance mechanism. A carbon price of <u>\$25 per ton</u> that rises five percent per year would result in reductions close to 70 percent by 2030.

Therefore, a fee on carbon could allow states to efficiently <u>reduce their emissions</u> while also raising an additional source of revenue.

While President Obama's carbon pollution standards are an important step toward reducing our country's reliance on fossil fuels, they are insufficient to force the shift towards clean renewable energy and efficiency. These weak standards, in conjunction with the president's recently released "<u>All of the Above</u>" report, demonstrate his unwillingness to take the bold actions required to mitigate the catastrophic impacts of climate disruption. The mitigation section of the Intergovernmental Panel on Climate Change's <u>Fifth Assessment</u> provides a pathway to avoid the worst impacts of catastrophic climate disruption but time is running out, and we need decisive action from global leaders like President Obama.



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