



*Update on U.S.
Climate Developments*

Tom Kerr, US EPA

NYSBA
January 27, 2006





Climate Change Developments

- ◆ **National**
- ◆ **International**
- ◆ **State & Local**
- ◆ **NGO**
- ◆ **Financial Community**
- ◆ **Corporate Responses**



National Developments

President's Climate Change Strategy

- ◆ **Science & Technology Program**
- ◆ **Registering Reductions**
 - Department of Energy's 1605(b) Program
- ◆ **International Strategy**
 - Multilateral approaches – APEC, technology partnerships
 - Bilateral engagement
- ◆ **Business Challenges**
 - Climate Leaders
 - Climate VISION sector agreements
- ◆ **Federal Legislation**
 - Cap & Trade Bills pending (Carper, McCain etc.)
 - Senate adoption of Bingaman Resolution in EPA Act 2005
- ◆ **State Lawsuits**



International Developments

- ◆ Kyoto entry into force Feb. 16, 2005
- ◆ Montreal COP-11: “3 I’s”
 - Implementation of the Protocol
 - Improvement of CDM
 - Innovation for post-2012 regime
- ◆ G-8 Gleneagles Summit
 - Follow-up summit in UK with developing countries
- ◆ APEC
 - Meeting last week



State and Local Developments

◆ GHG Reduction Mandates

- Northeast Regional Greenhouse Gas Initiative – CO₂ cap and trade for power sector (7 states)
- OR, WA, NE states adopting CA auto emissions standards

◆ Climate Initiatives

- West Coast Governors' Global Warming Initiative
- CT, ME, MA, NJ mandatory GHG reporting, includes CO₂ as a pollutant

◆ Clean Energy Initiatives

- 20 states with Renewable Portfolio Standards
- CA PUC requiring GHG 'adder' for future power resources

◆ Local: US Conference of Mayors Climate Protection Agreement

- Advance Kyoto goals
- 195 Mayors signed



NGO Programs

- ◆ **GHG Reporting Standards**
 - WRI/WBSCD GHG Protocol
 - ISO GHG Reporting Standards finalized
- ◆ **Corporate GHG Programs**
 - Pew Business Environmental Leadership Council – Pocantico recommendations for beyond Kyoto
 - Chicago Climate Exchange
 - 25 member companies reducing emissions 1%/year from 2003-06
 - Announced phase II
- ◆ **Press – Business Week Series**
 - www.businessweek.com/go/carbon



Financial Community Developments

◆ Shareholder Resolutions

- 36 climate-related shareholder resolutions filed in 2005

◆ Disclosure Initiatives

- Ceres - UN Investor Summit on Climate Risk
 - connecting climate risk with fiduciary responsibility (+\$3 trillion in assets represented)
 - 10-point Call for Action targets SEC, corporate boards, and financial industry
- Carbon Disclosure Project – round III



Corporate Responses

- ◆ **Assessing Climate Risk**
 - Impacts of emissions constraints
 - Impacts of higher energy, resource costs
 - Insurance implications
- ◆ **Performing Corporate-Wide GHG Inventories**
- ◆ **Setting GHG targets**
- ◆ **Engaging Stakeholders**
 - To provide credibility
 - To ensure transparency
- ◆ **Communicating Leadership**
 - Cinergy's Annual Report, Climate Risk Document
 - AEP's Climate Risk Statement
 - GE's Ecomagination campaign
 - Goldman-Sachs climate and sustainability strategy
 - Ford's Climate Change Report



EPA's Role

◆ Voluntary Programs

- Climate Leaders
- Energy Star
- Clean Energy Programs
- Methane/High-GWP Programs

◆ Measurement Tools Defining Leadership

- Climate Leaders Inventory Protocol, IMP
- Energy Star Benchmarking Tool for EE
- Green Power Partnership Benchmark

◆ Technical Assistance

◆ Public Recognition



Climate Leaders Achievements to Date

- ◆ 79 Partners
- ◆ 46 Partners announced GHG reduction goals
- ◆ 17 Partners completed base year reporting
- ◆ 5 Partners reached their GHG reduction goals
- ◆ Corporate GHG management becoming an industry



Climate Leaders Program Impact

- ◆ Partners combined U.S. GHG emissions equal to 8 percent of total U.S. GHG emissions
- ◆ The targets announced to date will prevent a total of 8 MMTCE annually
- ◆ These reductions equivalent to the annual emissions of five million cars

Climate Developments - Possible Next Steps

- ◆ Expansion of State activity
- ◆ Growing number of corporations take action
 - Variety of sectors
- ◆ More corporate public awareness campaigns
- ◆ Links between systems?
 - Regional
 - Public/private



For More Information

Tom Kerr
U.S. EPA
202/343-9003
kerr.tom@epa.gov

www.epa.gov/climateleaders

www.energystar.gov

www.epa.gov/cleanenergy

The Company We Keep

