

Western Climate Initiative

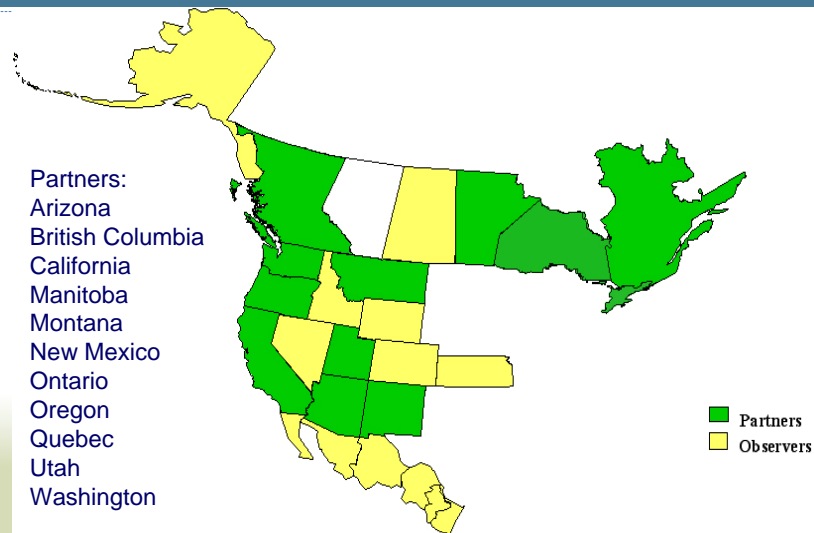


Overview: Western Climate Initiative

Air & Waste Management Association, West Coast Section
Diamond Bar, CA
April 23, 2009

www.westernclimateinitiative.org

Partners and Observers



www.westernclimateinitiative.org

Cap-and-Trade Design

- Start in 2012
- Firm 2020 emissions limit
 - Based on individual state and provincial emissions goals
- Common approach to quantifying emissions
- Individual state/provincial programs
 - Each state/province adopts own rules
 - Harmonized around essential elements
 - Linked to create a regional trading market
 - Allowances and offset credits have same values in every jurisdiction

Cap-and-Trade Design: What Has To Be the Same (1)

- Basic reporting requirements
- Sectors, gases and thresholds (generally)
- Points of regulation
- Quantification methods
- Establishing partner budgets
- Compliance periods
- Banking and borrowing

Cap-and-Trade Design: What Has To Be the Same (2)

- Early reduction allowances (ERA) criteria
- Maximum offset credits allowed
- Offset criteria and protocols
- Auction design and implementation
- Linkage with other systems
- Participation in regional administrative organization

Cap-and-Trade Design: What Can Be Different

- State and provincial decisions:
 - Allocation of allowances within states and provinces
 - May standardize between sectors/jurisdictions
 - *Greater* percent of allowances auctioned than minimum
 - Use of most of the value of the allowances
 - *Fewer* offset credits than maximum allowed
 - Allowance set-asides
 - Recognition of early reductions (other than ERA)

2009 – 10 WCI Organization

- US and Canadian Co-Chairs
 - One year staggered terms; rotates between jurisdictions
- Committee of the Whole
- Federal Liaisons
- Legal Team
- Continuing and New Committees and Task Groups:
 - Reporting Committee
 - Electricity Committee
 - Offsets Committee
 - Cap Setting and Allowance Distribution Committee:
 - Markets Committee
 - Complementary Policies Committee
 - Economic Modeling Team

National Context

- WCI Partner jurisdictions support a national approach for cap-and-trade
- WCI Partner jurisdictions are working on the details and implementation of cap-and-trade design
- The Partners have shared and will continue to share what we've learned with Congressional staff and EPA
- The Partners are also working on identifying where national and regional complementary policies may be needed
- WCI program—cap-and-trade working together with other policies—serves as national model

For More Information:

WCI Website:

www.westernclimateinitiative.org

- Program design and other documents
- Meeting announcements
- Sign up for our announcement listserv

Mark Wenzel

mwenzel@calepa.ca.gov