



By David P. Clarke

## EPA's Carbon Dioxide Challenges

With President Obama's recently renewed climate change clarion call, and Gina McCarthy's confirmation as the Environmental Protection Agency's new administrator, will we see the actions necessary to swiftly and decisively regulate carbon dioxide emissions from human activities?

The need grows more urgent. At a July 18 Senate Environment and Public Works Committee hearing titled "Climate Change: It's Happening Now," Franklin Nutter, Reinsurance Association of America president, noted that in the 1980s, the global average of natural catastrophes was 400 per year, but in recent years it has been 1,000. Reinsurer Munich Re's analysis suggests that the increase "is driven almost entirely by weather-related events." No wonder Swiss Re, another major reinsurer, has commented, "Climate change has the potential to develop into our planet's greatest environmental challenge of the 21st century."

President Obama appears ready to confront that challenge. In his June 25 speech at Georgetown University asserting that "we need to act," Obama simultaneously issued a presidential memorandum directing EPA to publish its revised Clean Air Act proposed standards for future power plants no later than September 1, 2013, followed by final rules "in a

timely fashion." For existing power plants, he directed EPA to use its CAA authorities to issue "standards, regulations, or guidelines, as appropriate" to limit CO<sub>2</sub>. Those should result in a lot of fuel-switching by utilities, from coal to natural gas, which has half the carbon loading of coal.

That might be a beginning. Although Obama's focus has been on sections 111(b) and (d), "We shouldn't lose sight of the other tools" available under the CAA, says Rob Brenner — former director of the EPA air program's Office of Policy, Analysis, and Review, who leads the Clean Air and Technology Innovation project created by Duke University's Nicholas Institute for Environmental Policy.

To flesh out those other CAA possibilities, CATI released a working paper in early July that presents more than 25 executive branch and CAA regulatory options the administration can pursue without new statutory authority or appropriations. The project's CAA strategies were selected for their potential to spur the deployment of clean air and clean energy technologies in the four largest carbon-emitting industrial sectors: power generation, refineries, and chemical and cement manufacturing.

"We avoided far-reaching strategies," says Brenner, because it is important to work with existing CAA provisions, such as emissions trading, Section 111(j) innovative control technology waivers, facility-wide permitting, and EPA's Technology Innovation Partnership. He adds that the CAA affords EPA many opportunities to work with others agencies, such as the departments of Energy, Defense, Interior, and Agriculture.

Indeed, Obama's 21-page June 2013 Climate Action Plan directs Interior to permit 10 gigawatts of renewable energy on public lands

by 2020, atop the 10 gigawatts it has permitted since 2009. Obama issued a memorandum directing federal agencies to streamline the siting, permitting, and review process for electricity transmission projects across federal, state, and tribal governments.

Added to the mix of government and academic collaborative efforts are the various business initiatives aimed at advancing climate policy and sustainable development, although actual reductions may be less than promised. President Obama singled out Walmart in his June 25 speech, noting that the company has set a goal of cutting its CO<sub>2</sub> emissions by 20 percent. But a May 1 *Huffington Post* blog pointed out that Walmart's energy efficiency and renewable energy plans "are far too small to keep up with its growth plans," and the company expects its GHG emissions

to continue growing through 2020 and beyond.

But the renewed CO<sub>2</sub> push by EPA is already facing an increasing challenge from House Repub-

licans determined to undercut the agency. The House Appropriations Interior and Environment subcommittee has proposed to cut EPA's budget by \$2.8 billion, or 34 percent, and to block agency rules that would curb power plant CO<sub>2</sub> emissions, among other regulations. Subcommittee Chair Mike Simpson (R-Idaho) declared that the legislation will serve as a "battleground" over the administration's carbon plans.

These competing battlegrounds — fighting CO<sub>2</sub> emissions and fighting CO<sub>2</sub> regulations — will clearly dominate EPA's coming agenda.

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