CLEAN AIR AND CLIMATE

PROGRESS, PARTNERSHIPS AND POSSIBILITIES

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Administrator’s Principles

- **Common Sense** – Promote sensible strategies to harness new, more efficient technologies, spur re-investment in U.S. industry, create jobs, and help lay the foundation for a clean energy economy.

- **Cost-Effectiveness** – Employ multi-pollutant, sector-based approaches to reduce regulatory uncertainty and keep compliance costs down.

- **Clarity, Achievability and Flexibility** – Explore and consider options to ensure the maximum environmental benefit while allowing flexibility, encouraging innovative strategies, and allowing adequate time to meet the new standards.

- **Transparency** – Seek input through open, public notice and comment provides the agency with the latest and best information and provides increased certainty.

- **Focus on the largest emitters** – Focus on large GHG emitters for which there are more cost-effective options for GHG control, and the Clean Air Act requires that cost and technical feasibility are considered.
Clean Air Act and Climate Change

U.S. Supreme Court Decision

GHG Endangerment Finding → First GHG Standards for Passenger Vehicles → Clean Air Act Process for Stationary Sources
Clean Air Act and Climate Change

U.S. Supreme Court Decision

GHG Endangerment Finding

GHG Reporting Rule

First GHG Standards for Passenger Vehicles

Clean Air Act Process for Stationary Sources

Voluntary Programs

International Efforts

Energy Efficiency as Compliance Strategy
Clean Air Act Tools

The familiar toolbox to help achieve clean air goals:

- **Rules** that set national, regional/state, or local standards for types of sources
- **Permits** for specific sources
- **Enforcement** of rules and permit requirements
- **Voluntary programs** that provide incentives to reduce pollution
- Collect and share **information** with the public, states, and others
  - monitoring data
  - public education
Federal and State/Local Partners

- The Clean Air Act establishes a partnership between state and federal governments
- Certain activities best done at the national level
- Certain activities best done at the state, local, or tribal level
Progress on Addressing Climate Change

- Greenhouse Gas (GHG) standards for passenger vehicles and for medium and heavy trucks (proposed)
- GHG permitting rules, guidance and technical assistance
- Upcoming rulemaking to set GHG standards for utilities and refineries
- Development and implementation of the Mandatory GHG Reporting Program
- Increased use of renewable fuels in motor vehicles
- Global Alliance for Clean Cookstoves launched with UN Foundation and other partners, other international efforts
- Many voluntary programs going strong
## Transportation: Vehicle and Fuel Standards

### Second Phase of GHG Vehicle Standards
- Issued Notice of Intent for model years 2017-2025 in October 2010
- Initially evaluated more than 30 technologies with potential to reduce GHGs and improve fuel economy in the 2017-2025 timeframe
- GHG reductions equivalent to average fuel economy of 47-62 mpg in 2025
- Will provide greater certainty and incentives for long-term innovation
- Currently scheduled to propose Fall 2011

### Renewable Fuels Standard
- U.S. Goal: Increase the use of renewable, low-carbon fuels in motor vehicles to 36 billion gallons by 2022 and decrease greenhouse gas emissions
- Reduces 138 million metric tons GHG emissions – equivalent to the annual emissions of 27 million passenger vehicles
- Replaces about 7 percent of expected annual gasoline and diesel consumption in 2022
- Results in additional energy security benefits of $2.6 billion
- Current allowable feedstocks are: corn; sugarcane; soy; canola; waste oils; fats and grease; algal oils; and cellulosic material
A Tool For States: Greenhouse Gas Monitoring and Reporting

- Directed by Congress in 2008 Appropriations Act
- Provides a better understanding of U.S. GHG emissions sources
- Applies to facilities emitting large quantities of GHGs
- Covers an estimated 85 percent of total U.S. GHG emissions
- Data collection began in January 2010
- First annual reports this year
The Role of Energy Efficiency and Demand Response

- Supplementing our rules with actions to improve energy efficiency and reduce demand would create multiple benefits:
  - Substantially cut total costs to power sector of controlling conventional pollutants
  - Achieve reductions in CO$_2$ through idling or retirement of inefficient fossil-fuel-fired generating stations that would no longer be needed or economic
  - Avoid or defer the need for new generation
  - Reduce conventional air pollutant emissions, especially on high electricity demand days (which coincide with poor air quality)
  - Reduce concerns about reliability of electricity supply
  - Lower consumer bills

- EPA encourages state regulators, including PUCs and State Energy Offices, system transmission operators, and utilities themselves to take action to reduce demand for electricity.
States Are Key to Energy Efficiency

- There is significant potential for savings from energy efficiency.

- EPA cannot mandate efficiency on the demand side.

- We can only make progress in concert with other Federal Agencies and State agencies.

- State Climate and Energy website provides tools and resources for states on clean energy.

  http://www.epa.gov/statelocalclimate/
Thank you!

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