

# State and Local Climate Strategies: Economic Drivers

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# Economic Drivers for GHG Reductions

- Reduce energy bills, import dependence, price volatility and air pollution
  - Improved building design, appliance efficiency, vehicle fleet emissions standards, renewable portfolio standards and incentives, biofuels
- Promote regional economic development
  - Local renewables & efficiency businesses, respending of fuel savings

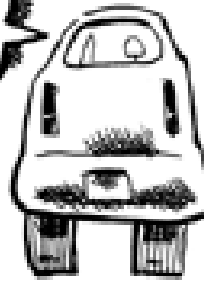
# More Economic Drivers

- Enhance rural incomes and ecosystems
  - Farm and forest sequestration, soil conservation, manure management, biodiversity, biomass fuel revenues
- Avoid future risks and liabilities: climate damages and steep reduction requirements
  - Market signals for the price of carbon

# The Ultimate Economic Driver?

Report: One third of all species could be extinct in 50 years due to global warming.

THE SCENERY  
ISN'T LIKE  
IT WAS IN THE  
SUV COMMERCIAL.



Off-Road Kill

TALS

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ABOUT ELEVEN  
SPECIES PER GALLON

# Economic Challenges of Local Action

- Finding resources for new investment
- Negotiating limited state and local budgets
- Competing for business
- Promoting regional cooperation and integration
- Increasing public awareness and priorities
- Figuring out how much to value GHG emissions avoidance

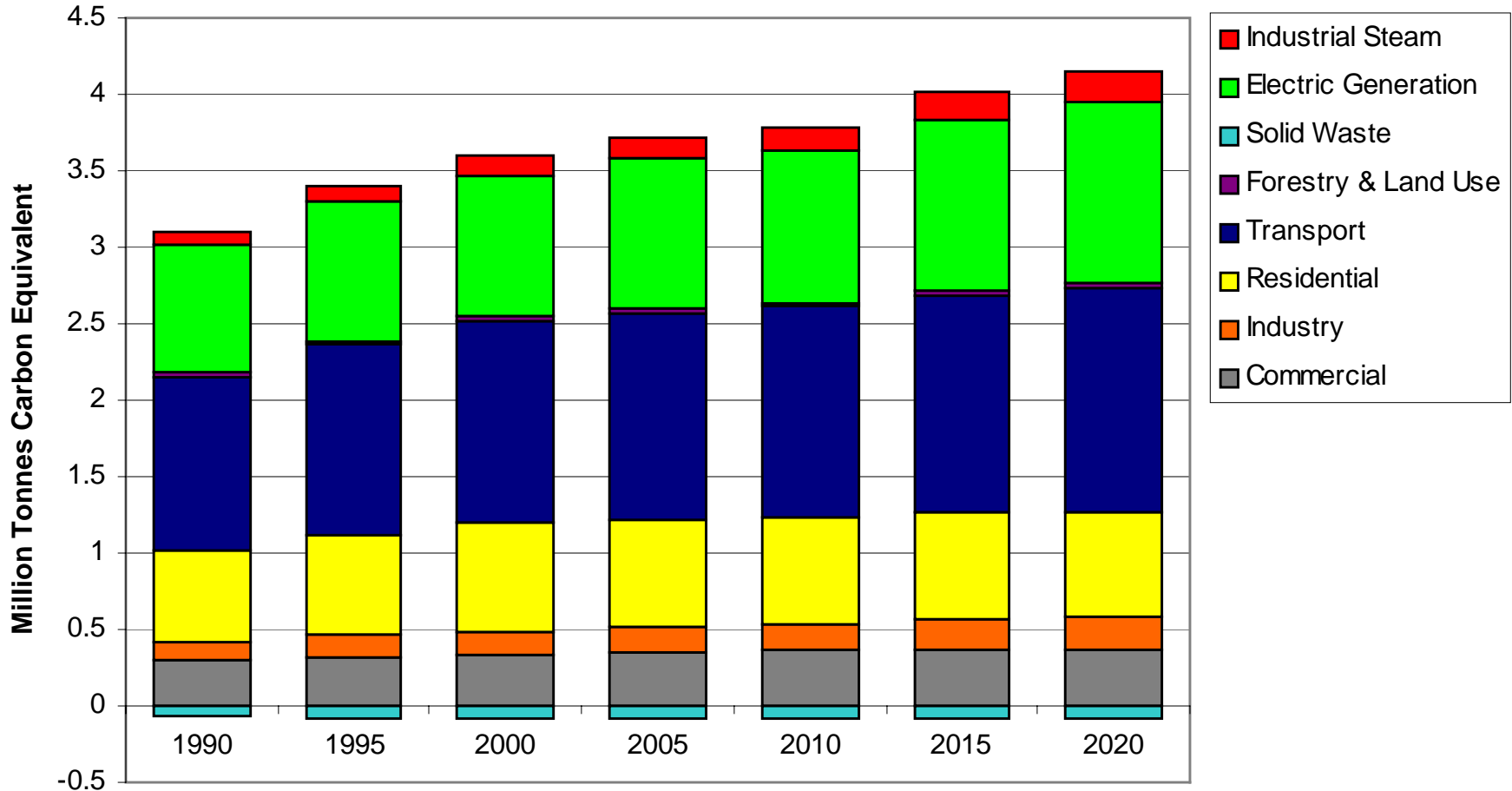
# Why state, local, & business action?

- Why not wait for a global solution with China & India on board?
  - China and India are making strides on vehicle fuel economy, renewable energy, and price reform
  - UN Framework, Kyoto, and future commitment periods
- Wait for federal action?
  - R&D efforts ... Climate Stewardship Act?
- States and localities are moving ahead
  - 35 states among 75 top global emitters
  - Legacy of leadership and innovation in pollution management
  - Momentum of 29 state action plans, NEG/ECP, WCG, RGGI

# The Rhode Island Example

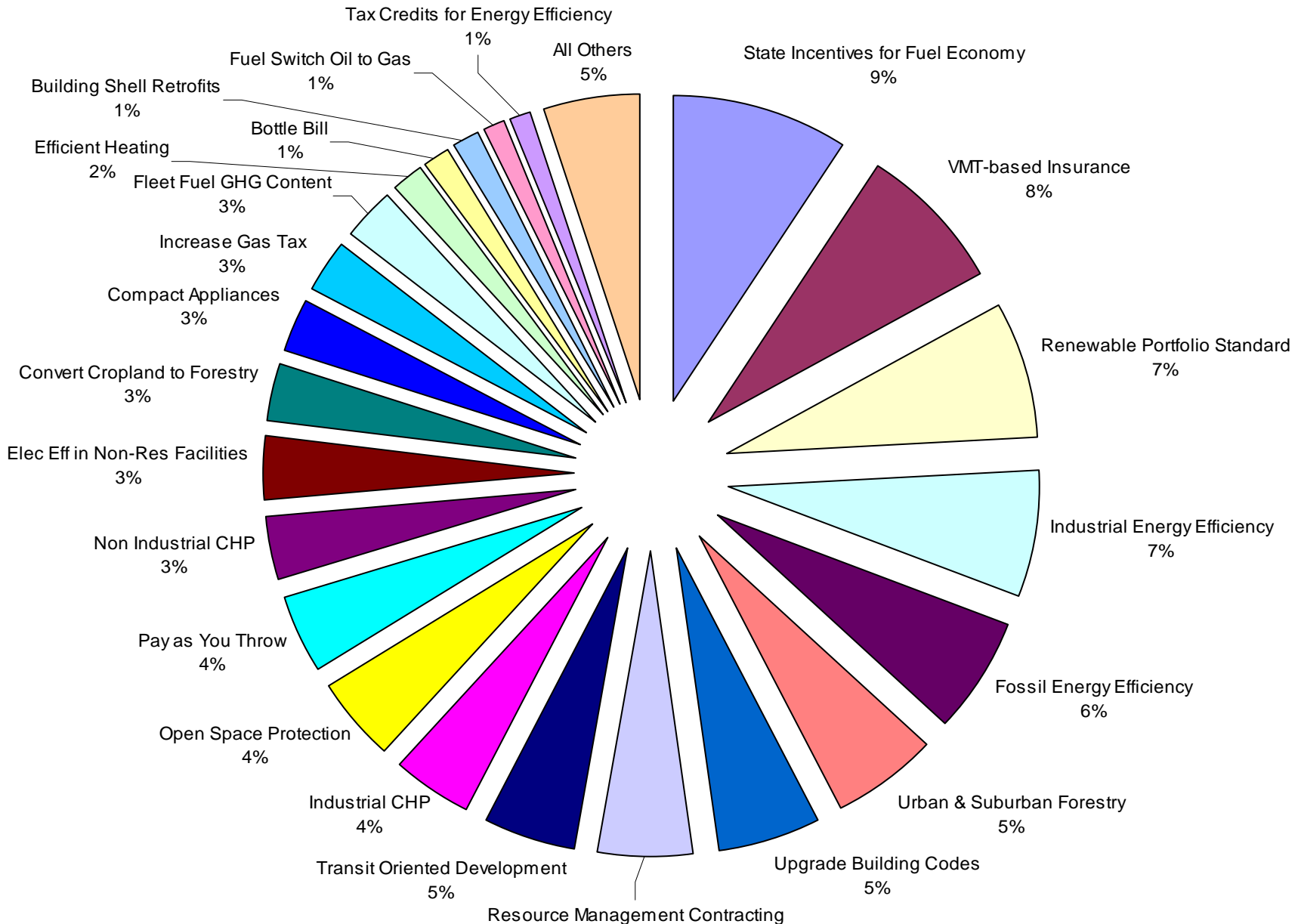
- Phase I – 2001-2002
  - State Energy Office & Dept of Environmental Management
  - Stakeholder process convened, 52 options assessed, consensus achieved (on 49), priorities determined
- Phases II & III– 2002-2004
  - Design implementation strategies, then implement them
    - Renewable portfolio standard, transit-oriented development, tax credits for efficient buildings, resource management (solid waste), forestry and land use management

# RI Phase I, Step 1 – Establish the Baseline

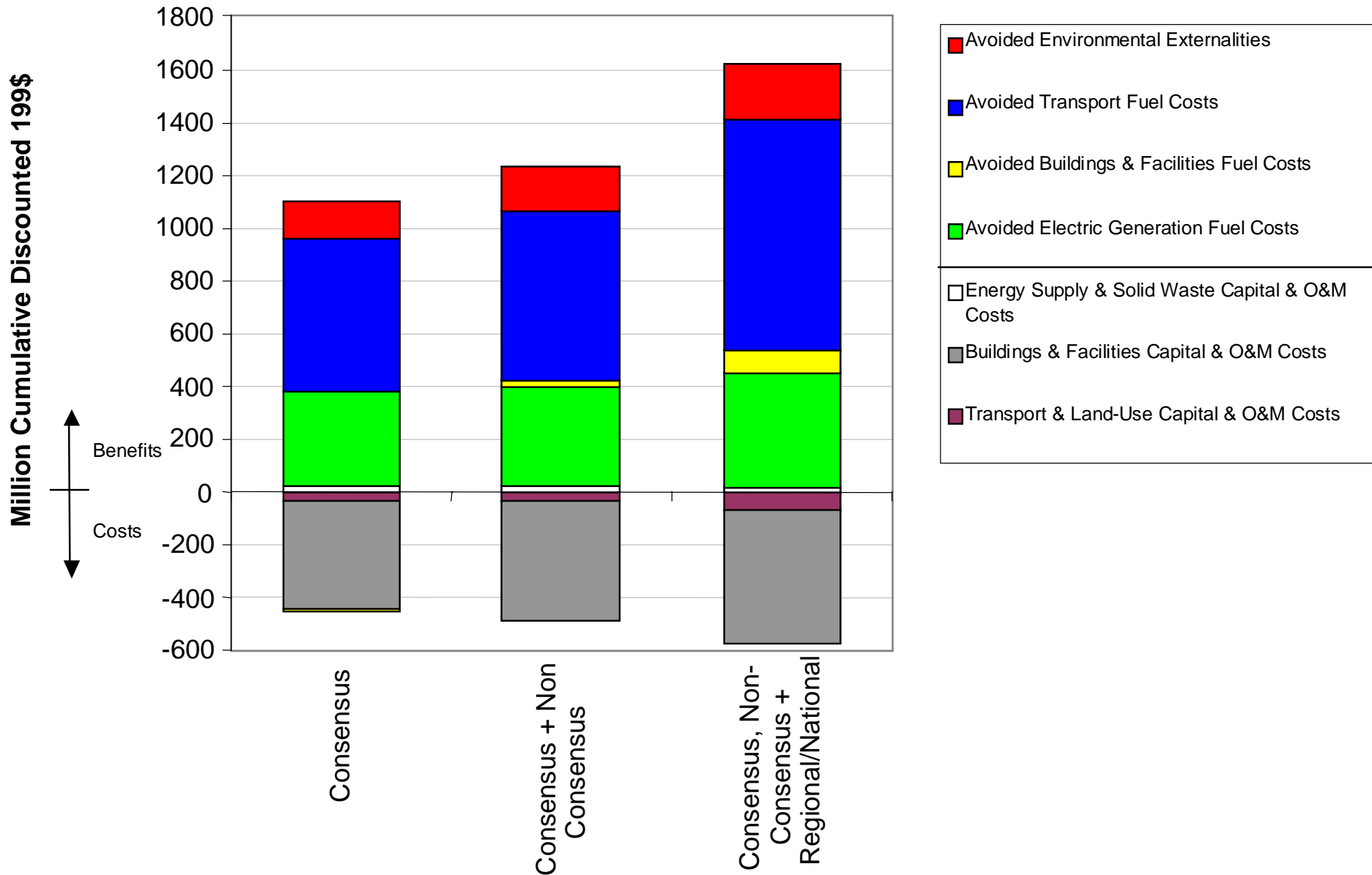


# Step 2 – Identify & Evaluate the Options

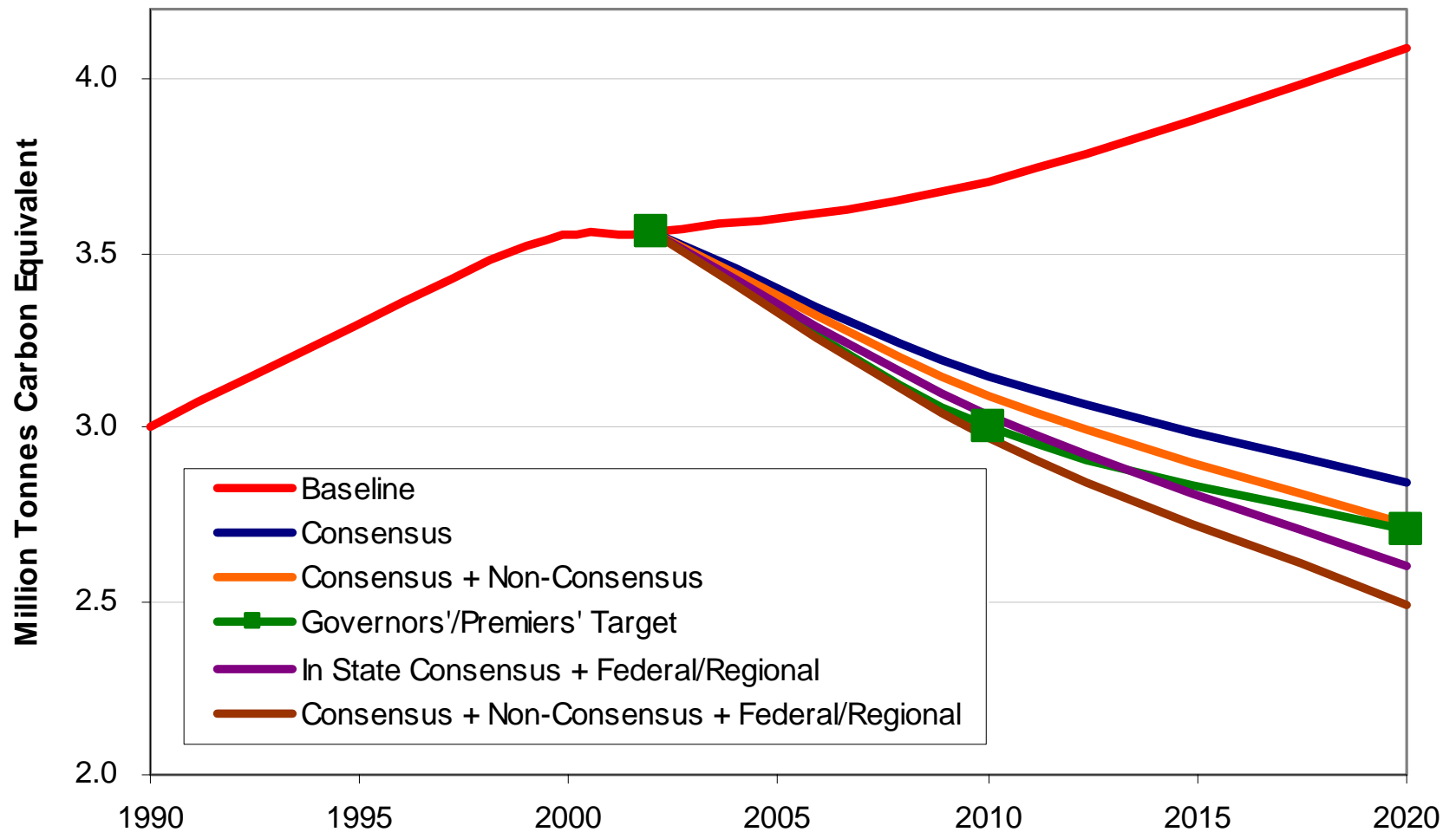
(Fraction of 2020 GHG Savings, MMTCO<sub>2</sub>e)



# Step 2 (cont.) – Assess economic impact

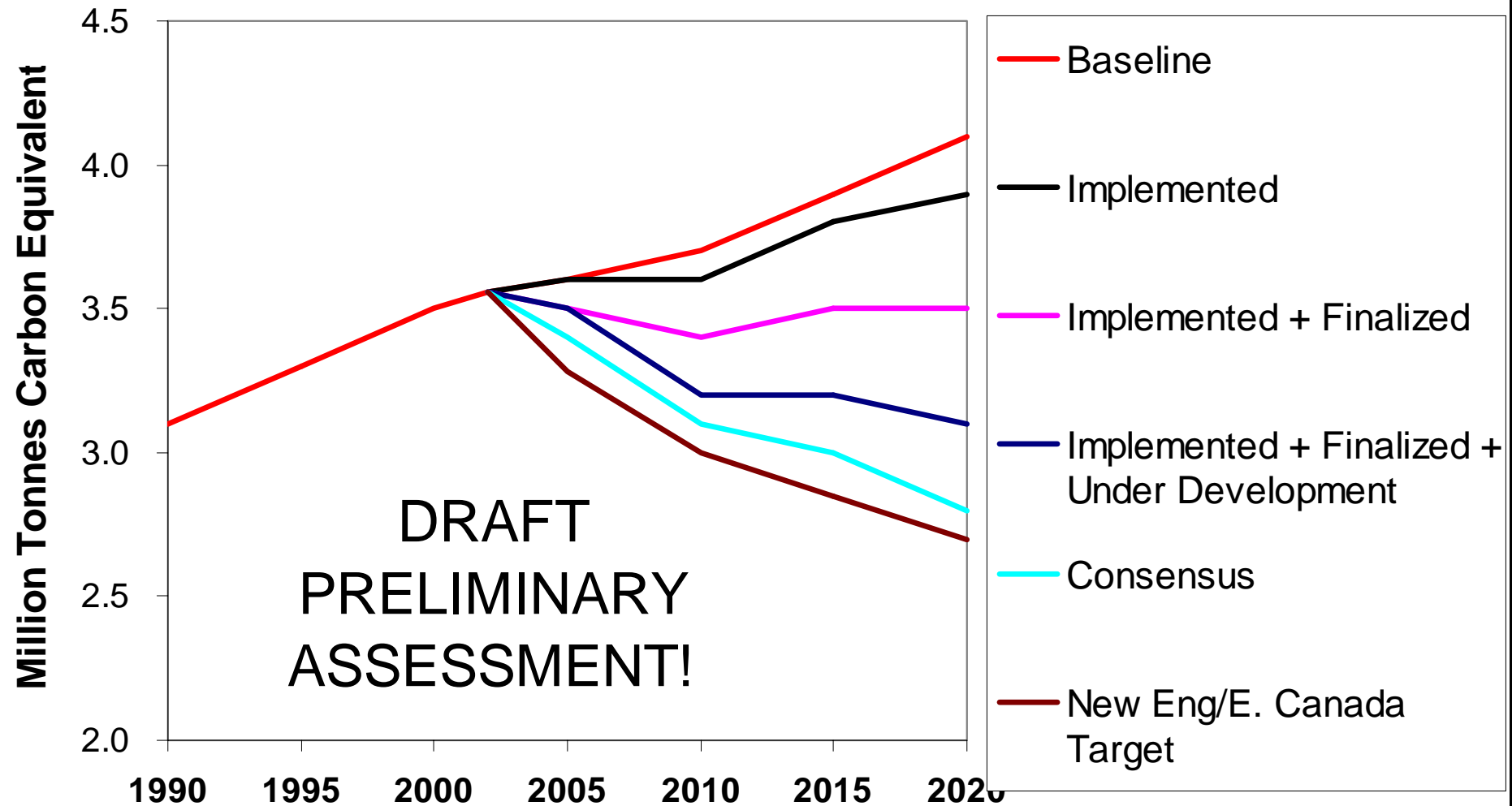


# RI Phase I, Step 3 – Put it all together



# RI Phase II+ : Design & Implement Strategies

## Current Status – Rhode Island GHG Plan



# RI Forestry & Land Use Workshop June 2004

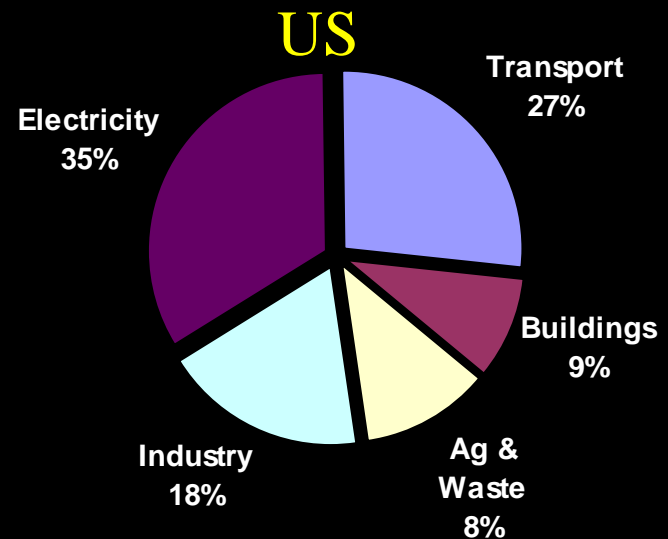
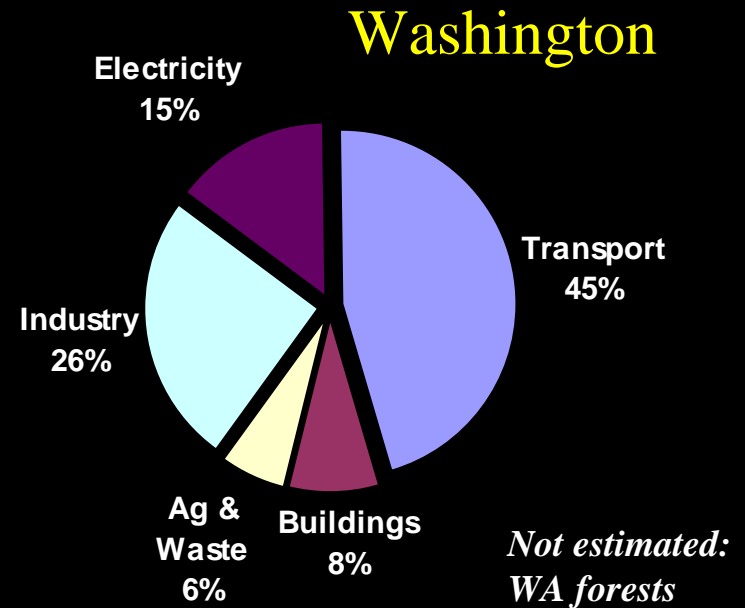
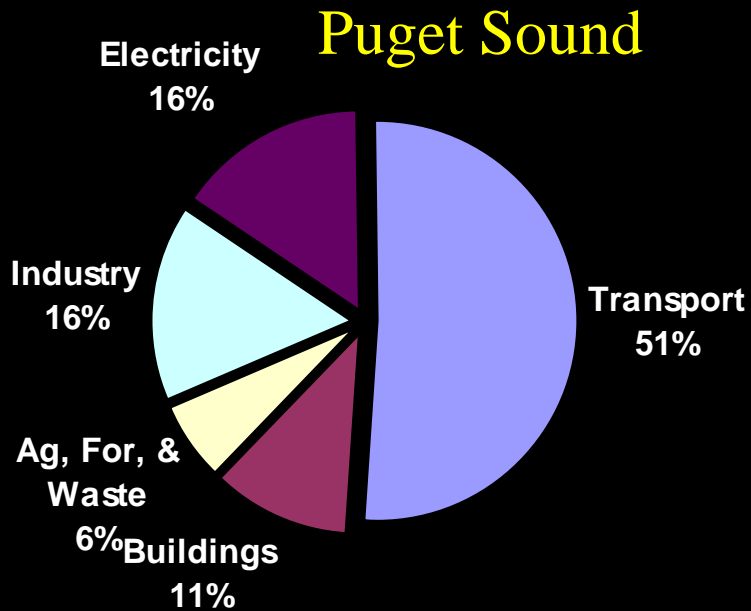
(breakout  
group)



# Closer to home...

- West Coast Governors' Global Warming Initiative
- Oregon Governor's Global Warming Advisory Group
- Washington Governor's Office and State Agencies
- Puget Sound Clean Air Agency's Climate Protection Advisory Committee
  - <http://www.pscleanair.org/specprog/globclim/>
  - Developing local and regional strategies through a stakeholder process
  - Recommendations expected fall 2004

# Puget, WA, and US emissions by source (2000)



*Preliminary estimates – do cite or quote*

*Not shown: US ag & forest sequestration (-12%)*

# Puget Sound process: Examples of strategies under consideration

- Buildings and Facilities
  - Incentives for low-GHG buildings
  - Building official and operator training
  - Appliance efficiency standards
- Energy Supply
  - Renewable portfolio standard
  - Combined heat and power
  - Regional cap and trade
- Transportation
  - Ultra low sulfur diesel (carbon black impact)
  - Travel reduction strategies
  - LEV/ZEV and LDV GHG standards
- Agriculture, Forestry and Solid Waste
  - Centralized digesters
  - Forest management
  - Conserve forests and farms

# Summary

- GHG reducing activity has many economic benefits, as well as implementation challenges
- States, localities, and businesses are finding creative and innovative ways to move forward