

CLIMATE: Everything's on the table for Senate's 4-week sprint

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Senate Majority Leader Harry Reid plans to meet with committee chairmen this week to prepare for a floor debate on energy legislation, with the options wide open for how the chamber will proceed with the idea of limiting greenhouse gas emissions.

No decisions have been made about what a final bill will look like, said a spokesman for the Nevada Democrat, as lawmakers consider items from a menu including a renewable electricity standard (RES), offshore drilling reform and some type of carbon dioxide limit.

Sens. John Kerry (D-Mass.) and Joe Lieberman (I-Conn.) have been working with Sen. Olympia Snowe (R-Maine) on climate language to be added to an energy bill according to a Senate aide familiar with the discussions. That could take the form of a cap on only electric utilities, the aide said. Kerry and Lieberman have said they would consider scaling back their economywide bill in order to get something passed in the Senate this year.

Snowe won acclaim from environmentalists last month when she indicated a willingness to work with Democrats on a utility-only emissions cap, citing concerns that pending U.S. EPA climate regulations would threaten businesses if Congress fails to legislate to limit greenhouse gases. Snowe said that her staff had also discussed the utility-only approach with Energy and Natural Resources Chairman Jeff Bingaman (D-N.M.). Bingaman has drafted a power plant-only bill but has downplayed the prospects of that draft moving anywhere.

The White House is also working behind the scenes to gauge what type of bill the utility industry would support. White House officials met last week to discuss energy and climate legislation with Senate staffers and representatives of the Edison Electric Institute – a trade group whose members represent about 70 percent of the U.S. electric power industry, according to a White House aide.

EI spokesman Jim Owen declined to comment on the meeting. The trade group has not taken a public position on a utility-only emission cap, and observers say their support will be needed to get such a bill through the Senate. A handful of utilities have publicly stated their support for such an approach, saying it would offer their industry regulatory certainty as companies look to make significant new investments over the next several decades.

President Obama and his staff have repeatedly stressed the need to put a price on carbon emissions, although the White House has come under fire from environmental groups for staying out of the legislative fray over how best to achieve that.

Still, even those who want the Senate to cap carbon emissions this summer admit that it will be a tough slog.

In addition to the politically charged atmosphere leading up to the November elections, the packed schedule this month could also complicate efforts to tackle sweeping energy and climate legislation. The Senate is still working to pass a financial regulatory reform measure and is expected to tackle a tax extenders bill, political spending legislation and Elena Kagan's Supreme Court nomination before wrapping up in four weeks.

The death of Sen. Robert Byrd (D-W.Va.) is another factor. Although the coal state senator had long questioned efforts to curb greenhouse gas emissions, he had signaled recently that he may have endorsed a climate bill if it had come to the floor this year.

David Doniger, policy director at the Natural Resources Defense Council's climate center, said he would not use the word "optimism" to describe how the environmental community feels about the Senate's prospects. However, he said, "There is a way to get it done. There are pathways and there are deals to be made and there are opportunities and we're continuing to pursue them."

Bingaman and some other senators have said that the Senate has a better chance of clearing a bipartisan "energy only" bill like the measure (S. 1462) that Bingaman's committee passed last summer. That bill includes an RES and other incentives that promote clean energy technologies – as well as expanded offshore drilling – but does not directly address greenhouse gas emissions.

But that approach comes with its own political pitfalls.

Many liberal Democrats have said that an energy-only bill won't go far enough, and some environmentalists are warning that carbon emissions could increase if an energy bill is not paired with a carbon cap.

For example, Doniger said in a recent blog post, Bingaman's bill promotes upgrading electricity transmission capacity. Carbon dioxide emissions would decrease if the new lines carry power from wind farms in the Great Plains into big urban areas but would increase if it came from new coal power plants, he said. And without a cap on carbon emissions, that energy would likely come from coal plants, he added.

Doniger and other environmentalists also say they are wary of efforts to try to block EPA climate regulations in energy and climate legislation, even for sectors that are not covered under a new carbon cap.

"I think that's an absolute that our whole community would oppose any bill, whether it's energy only, whether it's got a cap for utilities – whatever form it is – if it doesn't cover a sector with a new regime, there would be absolute opposition to undoing existing Clean Air Act regimes," he said.

David Moulton, director of climate policy at the Wilderness Society, agreed. Blocking EPA without imposing carbon limits "would be a concession that nothing will be done about the urgent issue of climate for the next several years or more, and I think most people who have been paying attention to this debate would say that that's a failure as well," he said.