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Obama's Climate Change Agenda Revealed

President Obama's speech today laying out a climate change agenda shows his focus and commitment to reducing carbon emissions. Also, his plan is built on actions his administration can take without congressional approval—an important aspect of the proposal because climate change is so controversial on Capitol Hill. However, this also limits the breadth of the proposal and many of the key aspects of his proposal are already ongoing. So what does it mean going forward? The administration's proposals are meaningful and will reduce the carbon output in the U.S., but the impact will not be immediate because of the implementation lags. Some proposals—including the key clean air rules governing carbon emissions from power plants—will be litigated for years.

The president's Climate Action Plan has three major pieces: cutting carbon output, preparing the country for the impacts of climate change, and leading international efforts to cut carbon output.

Here are some of the highlights of the plan and the implications of the proposals:

Cutting Carbon Pollution in the U.S. One key part of the plan is the effort to implement Environmental Protection Agency (EPA) rules limiting greenhouse gas emissions from new and existing power plants. This has far-reaching implications because it will impact the fuel sourcing for power plants and significantly reduce emissions from this sector. The rule for new power plants has been under consideration for more than a year and, in fact, the EPA was expected to release the final version of that rule this spring. President Obama's announcement that the rule for new plants will move ahead this fall is important because it shows the commitment of the administration to getting it done—but the announcement does not materially change the time line that has been in place for some while. Similarly, the rule for existing power plants has also been widely expected. The president's announcement lays out the time frame for existing plants, which had been previously unclear. Greenhouse gas rules for existing plants are scheduled to be proposed in 2014 and finalized in 2015. As previously mentioned, the rules to limit greenhouse gas emissions are controversial and certain to draw litigation in upcoming years.

The administration will also accelerate clean energy permitting on public lands, an administration policy that has been in place since the president took office. The renewed focus on this policy is notable because in a time of constrained budgets, the efforts on permitting for solar, wind and other renewable energy on public lands is likely to draw resources away from permitting other energy sources like oil and gas.

The plan also calls for increased energy-efficiency standards for many appliances and for public buildings. This proposal is relatively noncontroversial and will have a measurable impact on emissions reductions over the long term. This aspect of the plan also has broad support on Capitol Hill and is less likely to garner controversy.



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In addition, the plan calls for efforts from several agencies across the administration to develop and implement strategies to reduce the emissions of hydrofluorocarbons and methane.

Preparing the Country for the Impacts of Climate Change. The proposal calls for building "climate-resilient" infrastructure and making other investments to respond to the vulnerabilities that many communities face due to climate change. Some cities and towns—most notably, New York City—are already working to do this. The plan proposes a broader administration-wide effort to support communities that are implementing these reforms and standards, but does not include additional funding for resiliency efforts. While resiliency itself is not controversial, adding this piece to a climate change plan will increase the debate about whether extreme weather events are related to climate change.

Leading International Efforts to Address Global Climate Change. The proposal lays out the administration's plan to work with other countries to take action on climate change through trade initiatives, negotiation, bilateral cooperation with emerging economies and expanding clean energy use abroad. One notable aspect of the plan calls for the expanded use of natural gas worldwide, which would seem to give a nod to additional LNG export approvals from the administration.

This plan has many moving parts and it is not clear how it will play out, what resistance it might face from the industry or Capitol Hill, or what the detailed content of these proposals will be. **Brownstein Hyatt Farber Schreck**'s Energy, Environment and Resource Strategies group will be monitoring this closely and identifying potential opportunities and threats.

For more information about Brownstein's Energy, Environment and Resource Strategies team, click here.

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