

Sustainability & Climate Change Reporter



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The Western Climate Initiative is Dead, Long Live the WCI

The Western Climate Initiative (WCI) has quietly ended its nearly four-year experiment with a regional economy-wide cap and trade scheme. Arizona announced its formal [withdrawal](#) from the WCI, and five other states have done so informally. That leaves California as the only western state remaining in the WCI, along with four Canadian provinces -- British Columbia, Manitoba, Ontario and Quebec. The WCI's [website](#) noted the transition more by omission than direct announcement; its partner list no longer shows Arizona, Montana, New Mexico, Oregon, Washington and Utah. While the demise of the WCI has been forecast for some time, the formal announcement by Arizona brings one chapter to a close and raises questions about the next.

In the Beginning

WCI launched in February 2007 when the governors of California, Arizona, Washington, Oregon and New Mexico agreed to "collaborate in identifying, evaluating and implementing ways to reduce GHG emissions and achieve related co-benefits." Soon Utah, British Columbia and Manitoba signed on as full partners and they were joined by official observers from six other western states, three Canadian provinces and one Mexican state. The WCI's goal was to reduce emissions to 15 percent below 2005 levels by 2020, with a regional cap and trade program as the centerpiece. Unlike the northeastern states' Regional Greenhouse Gas Initiative (RGGI), whose cap and trade scheme is limited to emissions from power plants, the WCI's was intended to be economy-wide.

Within the WCI, California was first among equals, largely because it had already adopted the Global Warming Solutions Act, also known as [AB 32](#), mandating reductions in that state's greenhouse gas emissions. But other states, such as Washington and Oregon, participated fully by adopting similar emissions reduction goals and sending representatives to numerous planning, scoping and design meetings.

Economic Pressures

The beginning of the end came with the onset of the Great Recession, which decimated state budgets. Legislatures in Washington and Oregon in 2009 [declined](#) to pass bills authorizing participation in WCI's cap and trade and, earlier this year, Arizona signaled its eventual withdrawal by barring any agency from participating without the legislature's express approval.

Changes in several governorships also were a factor. Where WCI's original governors, including Janet Napolitano (D-AZ), Jon Huntsman (R-UT) and Bill Richardson (D-NM), strongly supported taking a regional approach to addressing climate change, their replacements, [Jan Brewer](#) (R-AZ), [Gary Herbert](#) (R-UT), and [Susanna Martinez](#) (R-NM), each oppose cap and trade. Initially the new administrations in those states said they would continue to participate in WCI, but their ultimate withdrawal seemed to be a foregone conclusion.

California Cap and Trade

The final straw likely came last month with California's formal adoption of cap and trade rules to be implemented January 1, 2013. There are, however, likely to be legal challenges to those rules. Affected industries probably will file a lawsuit, and citizens' groups could attack the rules from the other side. How this will play out is uncertain.

California's four Canadian partners are staying with WCI for now, but it remains to be seen whether they will actually implement cap and trade. Following Arizona's announcement, British Columbia's Environment Minister could only say that the province has not made a [final decision](#). B.C. will have a particularly tough choice to make because it is in the third year of a carbon tax, which complicates adding on a cap and trade regime. Meanwhile, Ontario's environment minister last spring said that province will [not be ready](#) to join the program at the targeted start date, but remains committed to the WCI.

North America 2050

The six departing states have joined [North America 2050](#), a WCI-light organization, formed to "facilitate state and provincial efforts to design, promote and implement cost-effective policies that reduce greenhouse gas emissions and create economic opportunities." NA2050 is not limited to any one region and is entirely voluntary. It may be that NA2050 could turn out to be more flexible and workable than WCI, but the emphasis on "2050" in the name signals that there won't be any short-term efforts to reduce greenhouse gas emissions along the lines of WCI's 2020 goals.

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