



THE WOODS HOLE RESEARCH CENTER

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Energy Commission Praises Bingaman-Specter Legislation to Reduce US GHG Emissions

Major Elements of New Senate Bill Based on 2007 NCEP Recommendations

Further Reading: [Recommendations of the National Commission on Energy Policy.](#)

(Washington, D.C.) – The National Commission on Energy Policy, a bipartisan group of top energy experts from industry, government, labor, academia, and environmental and consumer groups, today offered congratulations to Senators Bingaman, Specter and other cosponsors of mandatory climate change legislation introduced today. Key elements of the legislation are based on recommendations of the Commission made in April of 2007.

“Adoption of the Bingaman-Specter Low Carbon Economy Act will convert the United States from a laggard to a leader in the global effort to reduce climate change risks,” said John Holdren, Teresa and John Heinz Professor of Environmental Policy at Harvard University, Director of The Woods Hole Research Center, and Commission co-chair. “In addition to limiting emissions, the bill raises revenue needed for deployment of key low carbon technologies, especially carbon capture and storage. The powerful combination of market prices and ambitious technology incentives will encourage efficiency, increase low carbon energy production, and significantly reduce emissions.”

“The Bingaman-Specter bill is ecologically sound and politically smart. It offers a strong basis for passing mandatory climate legislation this year. It is critical that Congress require mandatory emissions reductions as soon as possible, both to begin cutting our own emissions and to encourage nations like China and India to join in an effective international effort to cut emissions,” said William K. Reilly, former EPA Administrator and Commission co-chair. “With this ground-breaking bipartisan legislation now before Congress, there is no reason for further delay.”

“The Bingaman-Specter bill is ambitious, calling for deep cuts in U.S. emissions while containing measures to protect the economy in case these cuts prove unexpectedly costly in the near term,” said John W. Rowe, Chairman, President and CEO of Exelon Corp. “Successfully regulating carbon will require a fundamental change in the way we produce and use energy. And that will require a fundamental change in our politics. Bingaman Specter is an important indicator of what we can accomplish if we move beyond partisan sniping to a bipartisan action.”

- The Bingaman-Specter bill shares a number of key design elements with those recommended by the National Commission on Energy Policy in its April 2007 Report, “Energy Policy Recommendations to the President and the 110th Congress.” These include:
 - Beginning in 2012, implementation of a mandatory, market-based cap and trade program to limit economy-wide U.S. greenhouse gas emissions;
 - Creating multi-billion dollar investments in energy efficiency, renewable energy, carbon capture and sequestration and cutting edge energy R & D, and providing revenue for them;
 - Employing a safety valve or Technology Accelerator Payment (TAP) mechanism to hasten the pace of technological development and reduce program costs to the economy if compliance costs exceed certain levels. The TAP rises by 5% above the rate of inflation annually;



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- Allocating emission allowances in a manner that effectively directs substantial resources to aid in the transition to a low-carbon economy and that fairly compensates major affected industries for short-term economic dislocations incurred as a result of the policy, while also avoiding the potential for significant windfall gains;
- Create stronger incentives for comparable action on the part of key trading partners by providing technical and financial resources for the transfer of low-carbon technology, by signaling that the United States will work with other countries to forcefully address trade and competitiveness concerns in the event other major emitting nations fail to take action within a reasonable timeframe, and by linking future U.S. emission-reduction commitments to progress in the international arena.

The National Commission on Energy Policy was founded in 2002 by the William and Flora Hewlett Foundation, and its partners.

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* Members have joined the Commission since the release of the December 2004 report, ending the Energy Stalemate: A Bipartisan Strategy to Meet America's Energy Challenges.

NOTE: All Commissioners participate in their personal capacity, and not necessarily on behalf of the institutions with which they are affiliated above.