

CCL's Review of the House Select Committee Majority Staff Report: Solving the Climate Crisis

By David Kline and Jerry Hinkle (July 8, 2020)

Introduction

After a yearlong process, the majority staff of the House Select Committee on the Climate Crisis released [its report](#) on June 30. The following summary may be helpful to CCL volunteers in interpreting the report and using its findings. It is important to note that the report represents the work of the Democrats on the committee and is not a bipartisan consensus.

The report opens by laying out the case for climate action; reviewing the economic, health, environmental justice and national security costs of unabated climate change; describing faith leaders' calls to action; and suggesting that the plan will build on state and local leadership on climate action.

Approach to Emissions Reductions

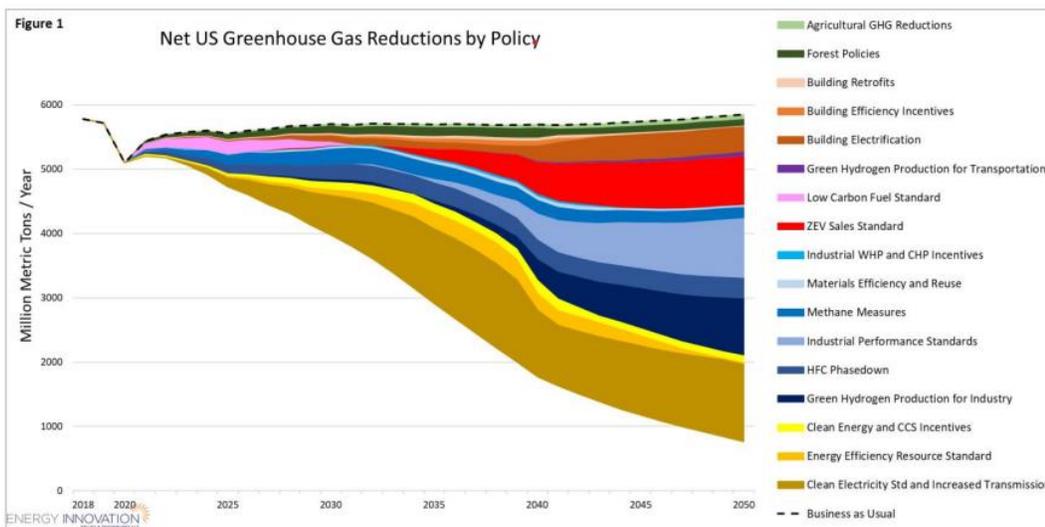
The Committee proposes an ambitious goal, consistent with science-based targets, of emissions 45% below 2010 levels by 2030 and zero net emissions by 2050. To achieve this, the report contains twelve "pillars" of suggested congressional action that include most known methods for reducing emissions. They rely heavily on standards, investment, and justice: it's primarily a regulatory and federal spending approach more than a market-based one.

Specifically, key regulatory drivers of reductions are a clean energy standard (CES) that would require increased reliance on clean energy in the power sector, resulting in net zero emissions by 2040; a zero-emission vehicle (ZEV) standard that would require 100% electric cars by 2035; a requirement that all new buildings be zero-emission facilities by 2030; and industrial performance standards (IPS) that require increased electrification and reduced emissions from industry. In clear recognition that market mechanisms can reduce the cost of the reductions, the CES and IPS may be "tradeable."¹ The report calls for this transformation of the American economy to be accomplished in such a way that environmental justice concerns are addressed by ensuring air pollution is reduced in communities with low income households and people of color. The plan's intent is to "create good-paying, high-quality jobs to expand America's middle class and lay a solid foundation for an equitable economy."

¹For example, a CES requires a utility to gradually increase the amount of energy coming from "clean" sources such as renewables. If one utility can exceed its CE requirement (because it is cheaper to do so), it can attain CE credits for this and sell them to another utility for whom it is cheaper to buy the CE credits than to meet its CE requirement (think Cap and Trade).

In addition to new or modified regulations, there are federal subsidies for infrastructure, clean energy deployment, and a large menu of tax incentives and loan guarantees, as well as federal spending on research, development, and demonstration in at least 9 key areas.

[Modeling](#) of only a subset of the recommended policies by an independent firm, [Energy Innovation](#), estimates that they will reduce net GHG emissions to 37% below 2010 levels in 2030 and 88% below 2010 levels in 2050 (see graphic, below)². These would also “deliver significant health benefits, avoiding an estimated 62,000 premature deaths annually” by 2050. Total health and climate benefits are estimated at almost \$8 trillion by 2050.



Source: Energy Innovation Policy and Technology LLC. See <https://tinyurl.com/y8l8s8xn>

Regarding carbon pricing, the report states “Congress also should put a price on carbon to correct the failure of the market to account for the costs of unmitigated pollution.” The report suggests that carbon pricing is not a sufficient policy to achieve their reduction targets, stating “Carbon pricing is not a silver bullet and should complement a suite of policies to achieve deep pollution reductions and strengthen community resilience to climate impacts.”³ The report says Congress “may decide to use some of the revenue” from carbon pricing for “top priorities” such as adaptation and supporting clean energy. It does not mention returning the funds raised via dividends or tax cuts, and although it insists low-income citizens should be protected, it does not specify the mechanism.

² Though these are substantial reductions, more will be needed to attain the Committee’s stated objectives of emissions 45% below 2010 levels by 2030 and zero net emissions by 2050.

³ The report lists “principles” for carbon pricing that are largely consistent with CCL’s approach: (1) achieving significant emissions reductions, (2) maintaining a level playing field in international trade, (3) protecting lower-income citizens, (4) linking pricing programs to investments in environmental justice communities, (5) respecting state and local jurisdictions authority to enact more stringent policies, (6) not relying on pricing policies alone, and (7) avoiding liability protection and the “nullification” of EPA or other regulatory authority in “exchange” for carbon pricing. H.R. 763 does not explicitly address item (4) or (6) and includes a regulatory pause that may or may not conflict with item (7), depending on an individual’s interpretation of “nullification”.

Policy Proposals

The following is an outline of the twelve “pillars” of suggested congressional action.

Pillar 1: Invest in Infrastructure to Build a Just, Equitable, and Resilient Clean Energy Economy

- Achieve zero net emissions in the electric power sector by 2040, driven primarily by a clean energy standard similar to the Clean Power Plan;
- Drive a transition to zero-emission (read: electric) vehicles through vehicle GHG emissions standards; promote domestic manufacturing of ZEVs;
- Direct FERC to ensure that rates account for the cost of associated GHG emissions, where it has jurisdiction;
- Promote building efficiency through incentives to local jurisdictions, with a goal of 100% of new buildings being net-zero energy;
- Reduce emissions from the oil and gas industry through enhanced monitoring and mitigation of leaks, especially methane.

Pillar 2: Drive Innovation and Deployment of Clean Energy and Deep Decarbonization Technologies

- Increase investment in clean energy research, development and demonstration (RD&D);
- Include policies to ensure access to clean technologies by EJ communities.

Pillar 3: Transform U.S. Industry and Expand Domestic Manufacturing of Clean Energy and Zero-Emission Technologies

- Enact industrial GHG efficiency standards;
- Increase RD&D efforts on clean technologies for industrial use;
- Provide production tax credits for clean technology manufacturing in the U.S.;
- Support carbon capture technology RD&D and manufacturing.

Pillar 4: Break Down Barriers for Clean Energy Technologies

- Repeal tax breaks for oil and gas industry;
- Establish a national price on carbon, paired with measures to ensure pollution reductions in EJ communities.

Pillar 5: Invest in America’s Workers and Build a Fairer Economy

- Support affected workers during the transition away from fossil fuels.

Pillar 6: Invest in Disproportionately Exposed Communities to Cut Pollution and Advance Environmental Justice

- “Consider” the cumulative impact of past polluting activities on EJ communities;
- Prioritize EJ communities for investments in clean technologies that reduce pollution.

Pillar 7: Improve Public Health and Manage Climate Risks to Health Infrastructure

- Develop a strategic plan to prepare for and respond to health impacts of climate change.

Pillar 8: Invest in American Agriculture for Climate Solutions

- Provide financial and technical assistance to agriculturalists in moving to greenhouse gas-reducing practices.

Pillar 9: Make U.S. Communities More Resilient to the Impacts of Climate Change

- Provide technical assistance to communities in developing building codes that enhance resilience and policies to move development away from vulnerable locations;
- Provide local climate risk information;
- Increase federal funding for climate-related disaster mitigation and recovery;
- Provide an example of effective resilient land-use and building strategies through the operation of federal agencies.

Pillar 10: Protect and Restore America's Lands, Waters, Ocean, and Wildlife

- Establish a national goal of protecting at least 30% OF U.S. lands and ocean areas by 2030;
- Re-establish the Civilian Conservation Corps to restore and maintain public lands;
- Enact a moratorium on oil and gas leases on federal lands and prohibit drilling on the outer continental shelf;
- Include protection of wildlife and flora in future extraction on federal lands.

Pillar 11: Confront Climate Risks to America's National Security and Restore America's Leadership on the International Stage

- Identify and address security threats to homeland, infrastructure, and public health;
- Re-engage with key international climate change institutions;
- Prepare for climate-driven internal and cross-border migration pressures.

Pillar 12: Strengthen America's Core Institutions to Facilitate Climate Action

- Enhance climate science programs;
- Re-establish the Office of Technology Assessment to provide technology policy guidance;
- Institute a Congressional Budget Office role in assessing the climate change implications of proposed legislation;
- Strengthen democratic institutions such as campaign finance, voting rights, and ethics laws in order to make the political will for the policies proposed in the report clearer.

CCL appreciates the work of the Majority Staff on a document that should further the conversation about the design of ambitious actions to address climate change.