Origins: The West Coast Governor's Global Warming Initiative

- In September of 2003 the Governors of Oregon, Washington, and California agree to work together on Climate Change policies.

- In November of 2004 the Governors approved 36 recommendations in five areas that were jointly developed by the three states.

Western Climate Initiative

West Coast Governor's Initiative: Key Results

- Clean Cars: OR & WA adopt California's greenhouse gas tailpipe emission standards.
- Appliance Efficiency Standards: All states upgrade to best in USA efficiency standards.
- Truck Stop Electrification: Pilot program begins along interstates in OR, WA, and CA.

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West Coast Governor's Initiative: Key Results

- Governors develop stakeholder processes to develop further mitigation actions (OR 2004)
- Governors set greenhouse gas emission reduction goals (OR 2005; 10% below 1990 levels by 2020)
- States enact renewable electricity standards (RPS) and renewable fuel standards (RFS) (OR 2007)

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Origins: The Southwest Climate Change Initiative

- In February of 2006 the Governors of Arizona and New Mexico launched the Southwest Climate Change Initiative.

- Key steps similarly include adoption of tailpipe standards; developing stakeholder process; implementing renewable portfolio standard; and announcing reduction goals.

Western Climate Initiative

The Western Regional Climate Action Initiative

- Logical extension of West Coast Governor's and Southwest initiatives was to combine efforts.
- In February of 2007 the Governors of the five states sign joint MOU to form the Western Regional Climate Action Initiative (WRCAI).
- Partners later agreed to refer to the WRCAI as the "Western Climate Initiative" (WCI) for short.

Western Climate Initiative

The WCI Memorandum of Understanding

Partners in the WCI agreed to the following:

- Set a regional greenhouse gas reduction goal (by 8/07) consistent with state-by-state goals.
- Develop a design for a "market-based multi-sector mechanism" (by August of 2008) to achieve the regional emissions goal.
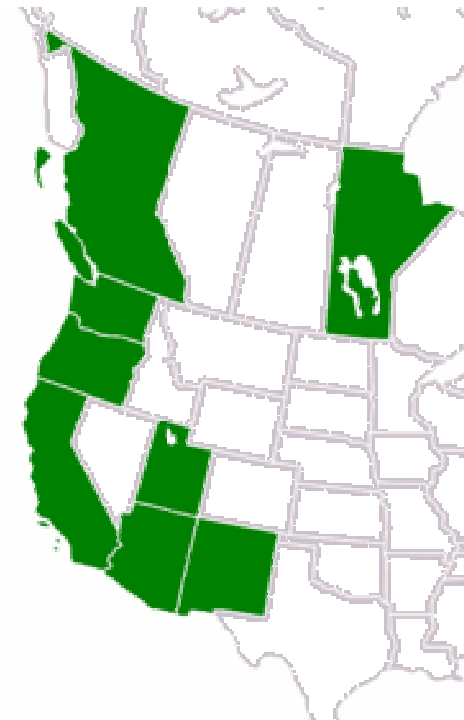- Participate in a greenhouse gas registry.

Western Climate Initiative

The WCI Expands

- British Columbia joins in April 2007 (WCI goes international).

- Utah joins in May 2007.

- Manitoba joins in June 2007.

- Others ask to be observers: Alaska, Colorado, Kansas, Wyoming, Nevada, Idaho, Quebec, Ontario, Saskatchewan, and Sonora.

Western Climate Initiative

Source: Wikipedia

WCI Partners Commit to The Climate Registry

- The Climate Registry (a multi-state, province, and tribe ghg tracking and reporting platform) launched in May of 2007 with all WCI partners signed on as founding participants.

- Any future WCI partner must join The Climate Registry in order to become part of WCI.

Western Climate Initiative

WCI Sets Regional Goal

- In August of 2007 the WCI partners agreed to reduce greenhouse gas emissions in the WCI region to 15 percent below 2005 levels by 2020 – which is the combined impact of the WCI partner's existing goals.

- This regional goal is consistent with the individual emission goals the WCI members have set for themselves and does not replace their existing goals.

- The WCI partners also acknowledged the need to do significantly more over the long run to reduce emissions.
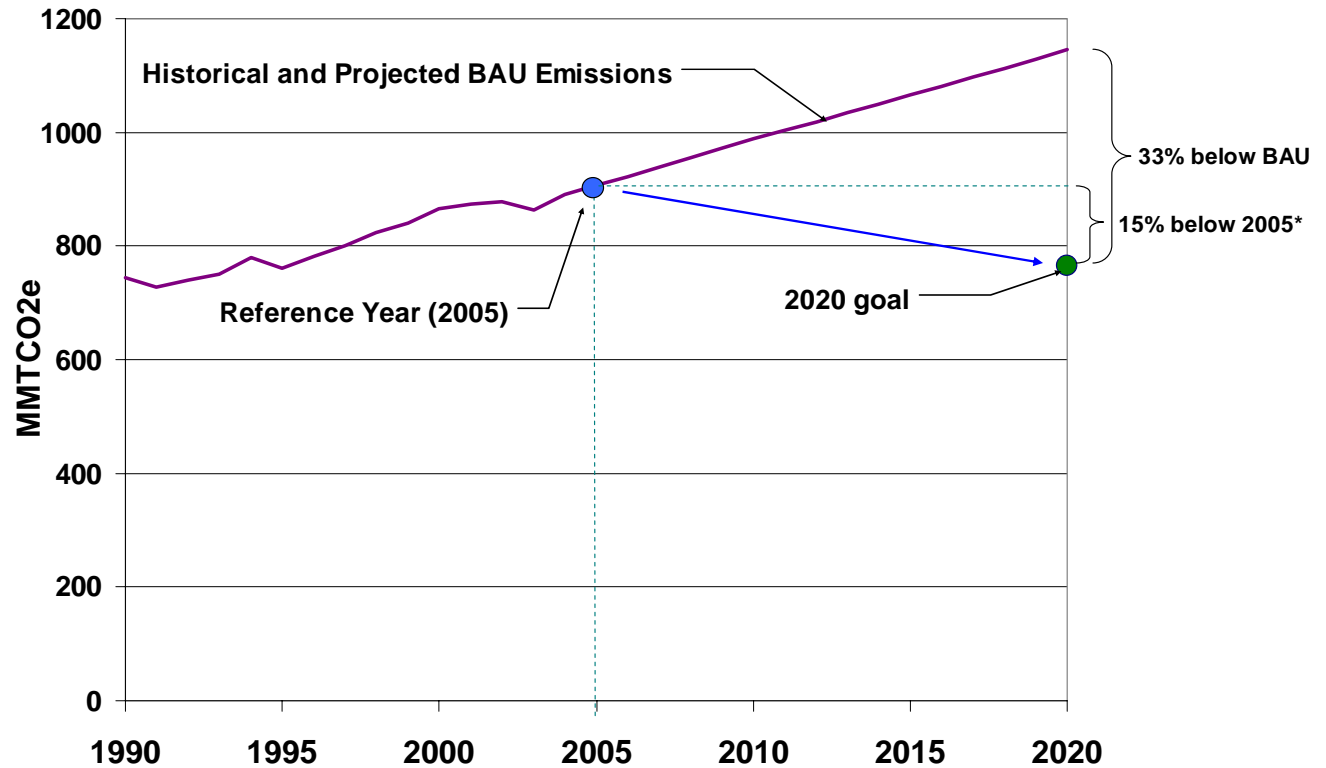
Western Climate Initiative

WCI Partner GHG Emissions and Regional Goal

BAU = Business-as-usual (projections).

The arrow shown is purely directional: it illustrates the where regional emissions will need to be by 2020 rather than the specific path emissions are expected to follow during the 2007-2020 period.

Historical and Projected BAU Emissions

33% below BAU

15% below 2005*

Reference Year (2005)

2020 goal

MMTCO2e

1990   1995   2000   2005   2010   2015   2020

Western Climate Initiative

Designing the Market-based Mechanism

- WCI partners have agreed that focus of the next year will solely be on designing a regional greenhouse gas cap-and-trade program.

- A cap-and-trade program sets an overall limit (or "cap") on emissions, allocates some level of emissions to the emitting sources ("allowances"), and then lets the sources figure out how to meet the overall limit through reductions, trading and possibly offsets.

Western Climate Initiative

Cap-and-Trade Design Considerations (1)

- Sectors to be covered
- Establishing the cap and future adjustments
- Allocation of allowances to emit
- Point of monitoring
- Point of regulation
- Offsets
- Linking with other trading programs

Western Climate Initiative

Cap-and-Trade Design Considerations (2)

- Will "banking" or "borrowing" of allowances be allowed?
- Should there be a "safety valve" or "off ramp" (which sets a ceiling on the price of allowances)?
- Allowance trades must be accurately tracked.
- Emission measurement, reporting, and data collection must be standardized.
- Audits must be performed to ensure market confidence.
- Leakage from sources outside the boundaries of the trading program must be understood and managed.

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WCI Establishes Issue Sub-Committees

Five Sub-Committees have been formed to get into design issue of cap-and-trade:

→ Scope   → Electricity

→ Allocations   → Reporting

→ Offsets

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WCI Partners Join International Effort On Carbon Trading

In October 2007, several WCI Partners joined the newly formed International Climate Action Partnership (ICAP).

Other founding members include several East Coast RGGI states, most EU Countries and New Zealand.

ICAP intends to ensure that various mandatory GHG cap and trade programs are compatible and able to work together as the foundation of a global carbon market.

Western Climate Initiative

WCI Stakeholder Outreach

- Regionwide Stakeholder Conference Call for Updates and Questions after each WCI Meeting
- Each Partner conducts face to face outreach within their jurisdiction
- Three Regional Work Shops Planned for 2008
- All WCI Documents Posted on Website and Stakeholders Requested to Provide Formal Comment via Website
- Stakeholders will be able to provide comment to committees forming recommendations and again to the full Partner plenary group prior to final design approval

Western Climate Initiative

More Information

- Western Climate Initiative Website
  http://westernclimateinitiative.org
- The Climate Registry
  http://www.theclimateregistry.org
- Oregon Climate Change Portal
  http://www.oregon.gov/ENERGY/GBLWRM/Portal.shtml

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