

**Proposals for Multi-emission Legislation
To Reduce Emissions of SO₂, NO_x,
Mercury and CO₂**

*Includes the President's "Clear Skies" Initiative
And "Climate Change Initiative"*

Unions for Jobs and the Environment (UJAE)

March 11, 2002

UJAE Goal

1. Bring about consensus among labor unions on targets and timetables for reducing sulfur dioxide (SO₂), nitrogen oxides (NO_x), Mercury and Carbon Dioxide (CO₂).

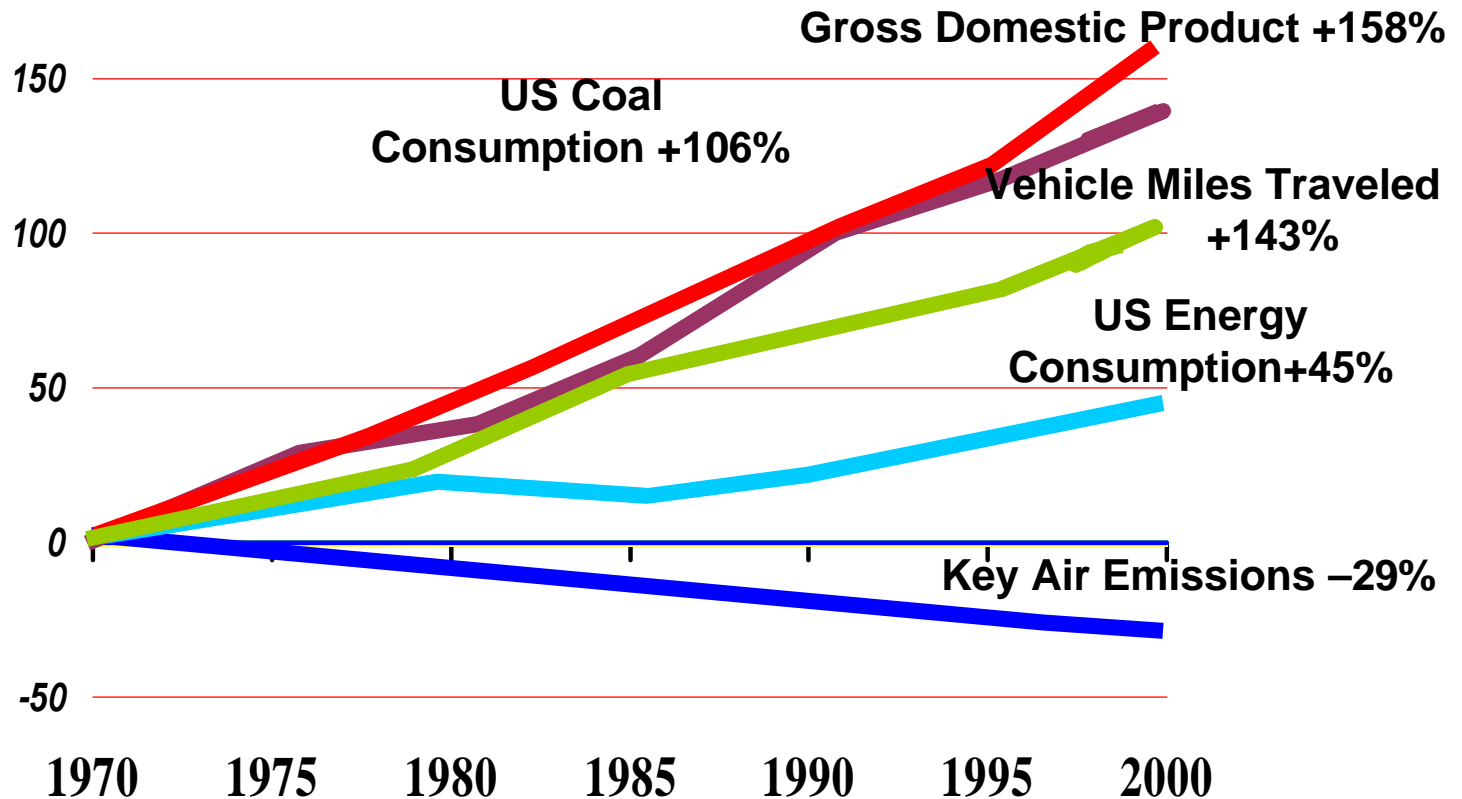
Why is a reasonable multi-emission bill be desirable?

1. Multi-emissions approach is more efficient and less costly than setting standards for each emission independently.
2. New technology is available to further reduce emissions over the next decade.
3. More than 20 states have proposed 3e or 4e legislation. Federal legislation that sets forth uniform standards is better than a patchwork of regulations by state.
4. Uniform standards are better than the inconsistent and arbitrary application of New Source Review (NSR) rules.

Policies needed to continue air emission improvements and a healthy economy

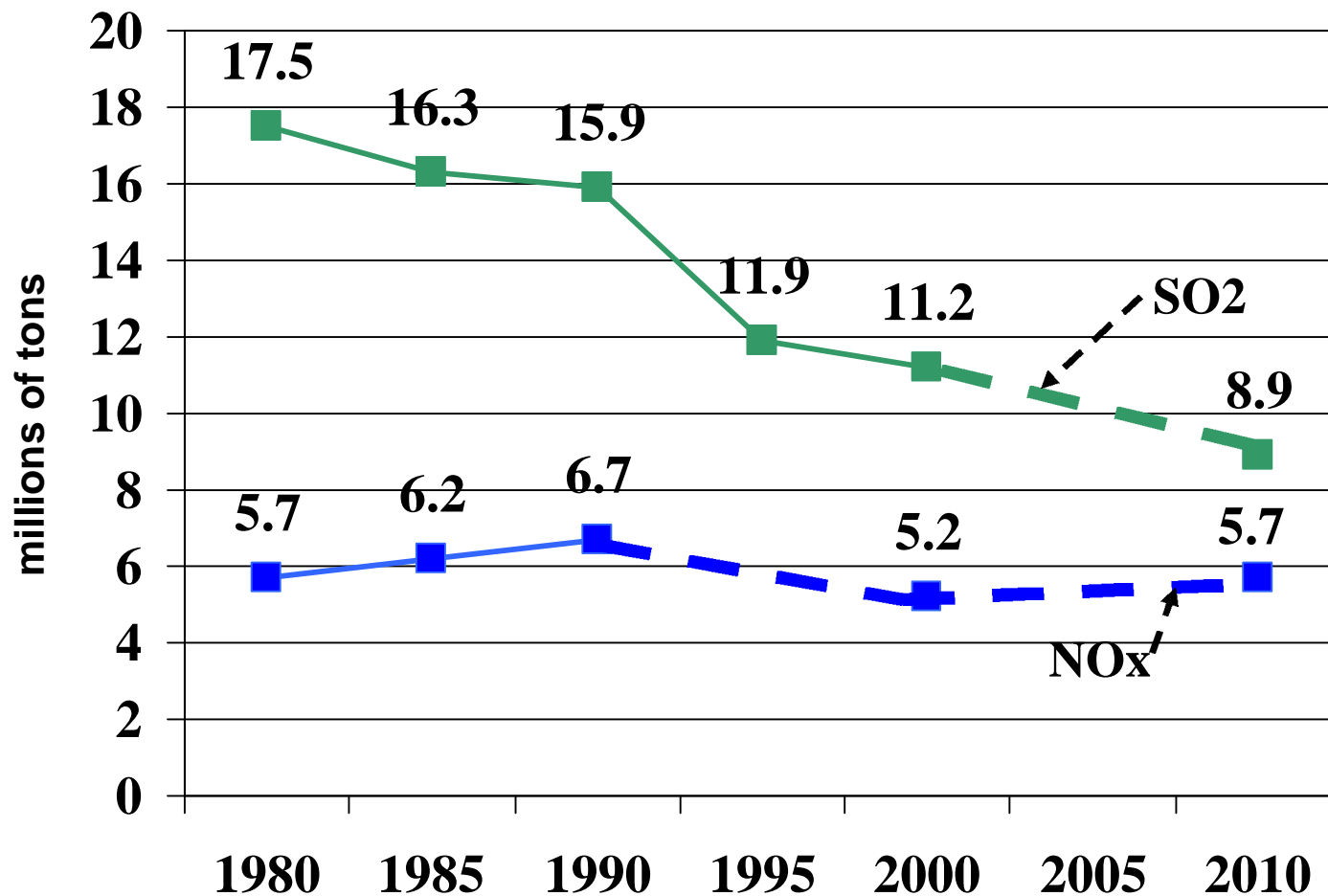
1. Technologically feasible standards that can be reached at reasonable cost. Electricity must remain reliable and affordable.
2. A diverse fuel supply must be maintained for power generation.
3. CO₂ should not be part of a bill on SO₂, NO_x, and Mercury because CO₂ is a more complex issue requiring world-wide cooperation.
4. Clear emission reduction targets should replace EPA's reinterpretation of New Source Review program.
5. Mercury reductions should be achieved as a co-benefit of SO₂ and NO_x reductions in the first phase.

Cleaner Air: Energy consumption rises While emissions decline



Source: EPA: Key emissions are the six principle air pollutants including SO₂, NO_x, mercury, carbon monoxide, lead and volatile organic compounds.

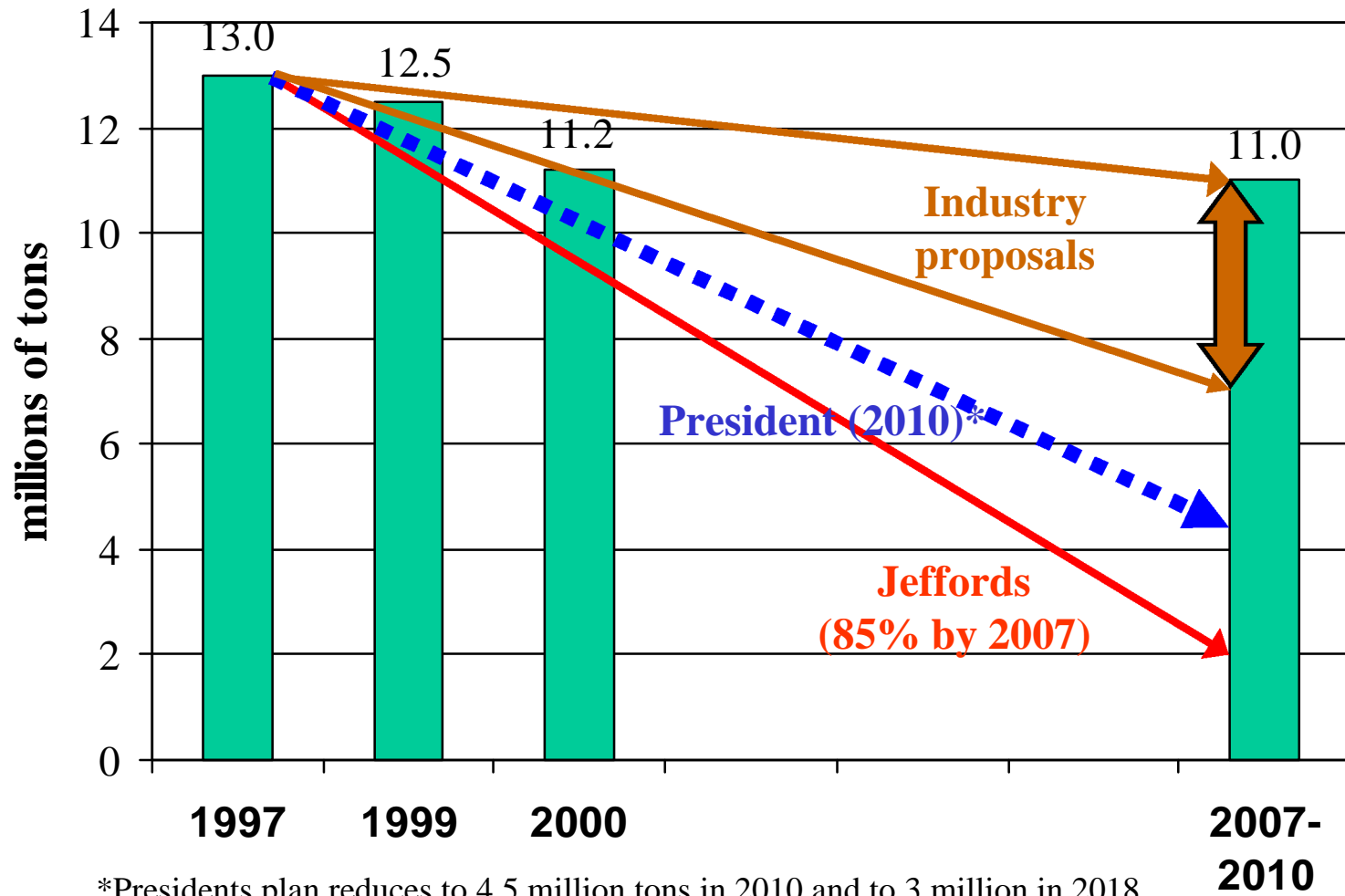
EPA forecast of emissions of SO₂ and NO_x From power plants with no changes in regulations



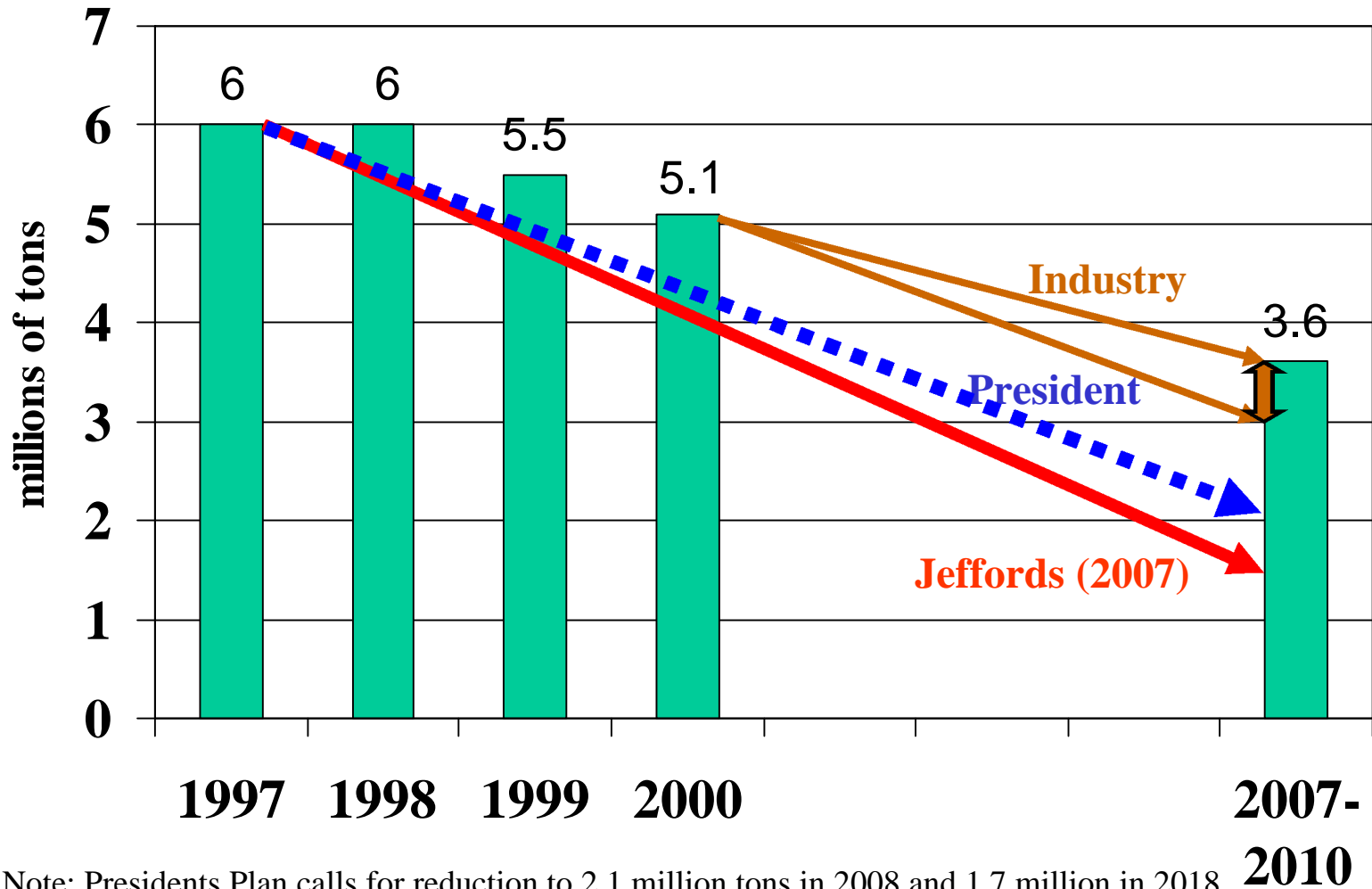
Proposals for federal multi-emissions legislation

1. Jeffords Bill – Environmentalists’ Position. (?)
2. Industry Positions – A range of proposals were put forth by industry groups.
3. Presidents “Clear Skies” Initiative and “Climate Change Initiative.” President’s plan is much more stringent than the industry proposals, but not as strict as those demanded by environmental groups.

Sulfur dioxide (SO₂) targets

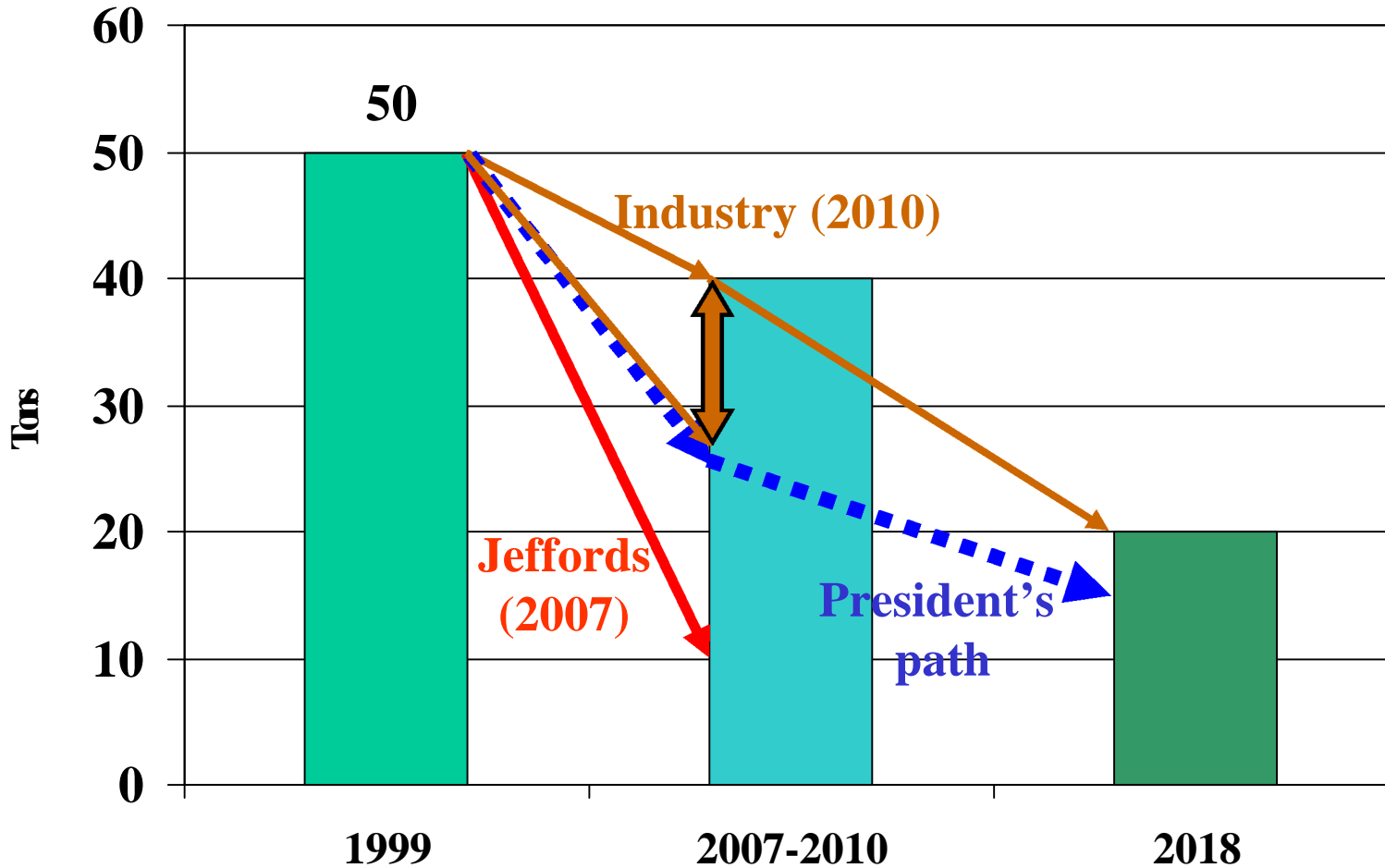


Targets for nitrogen oxides (NO_x)



Note: Presidents Plan calls for reduction to 2.1 million tons in 2008 and 1.7 million in 2018

Targets for mercury emission reduction



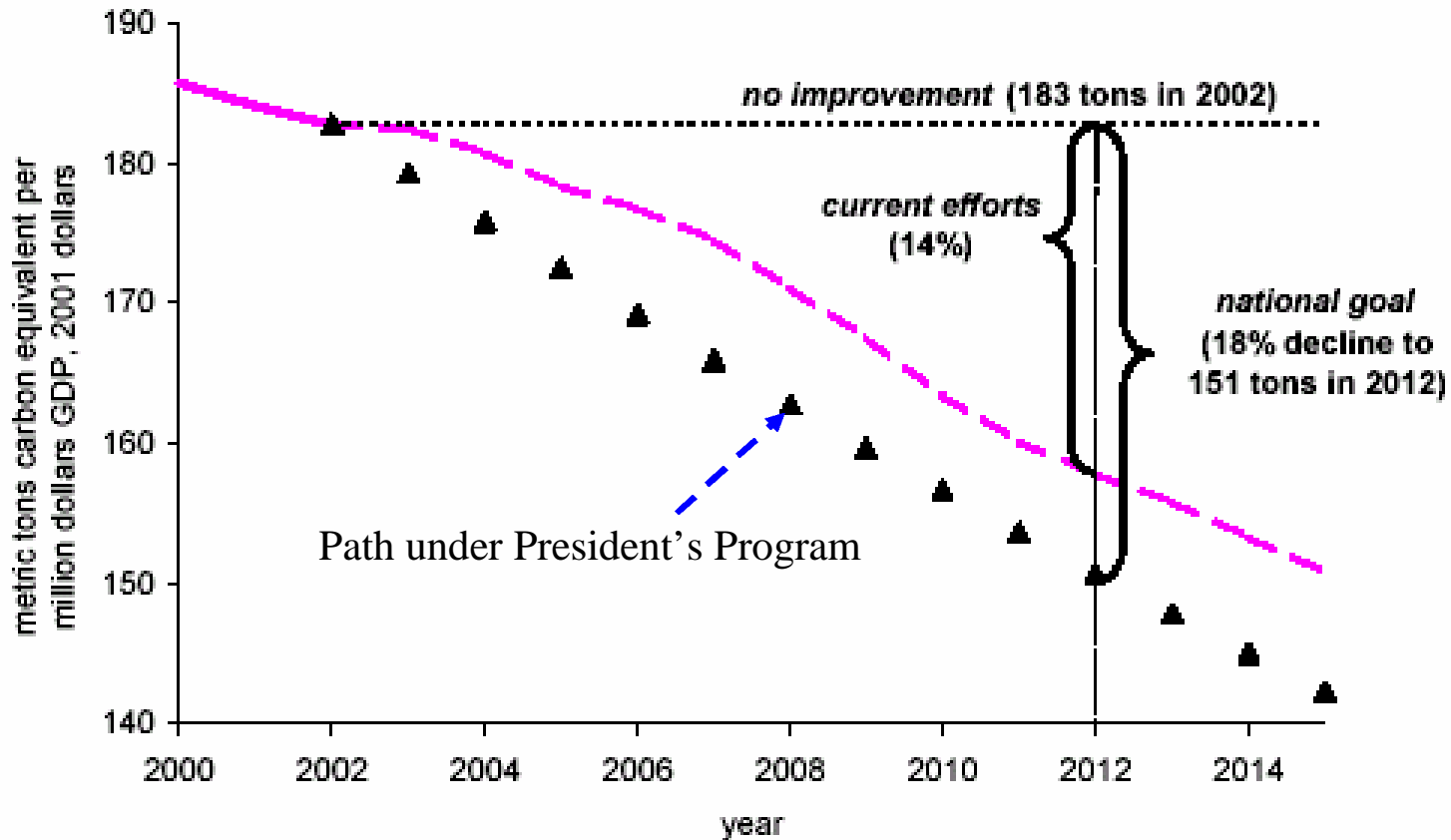
Note: Presidents plan calls for a 26 ton cap in 2010 and a 15 ton cap in 2018.

Carbon Dioxide and other Greenhouse Gases

- Industry proposals did not include greenhouse gases.
- Jeffords proposes rollback of carbon dioxide to 1990 level. Applies only to power plants.
- President calls for cut in greenhouse gas intensity by 18 percent over the next 10 years.

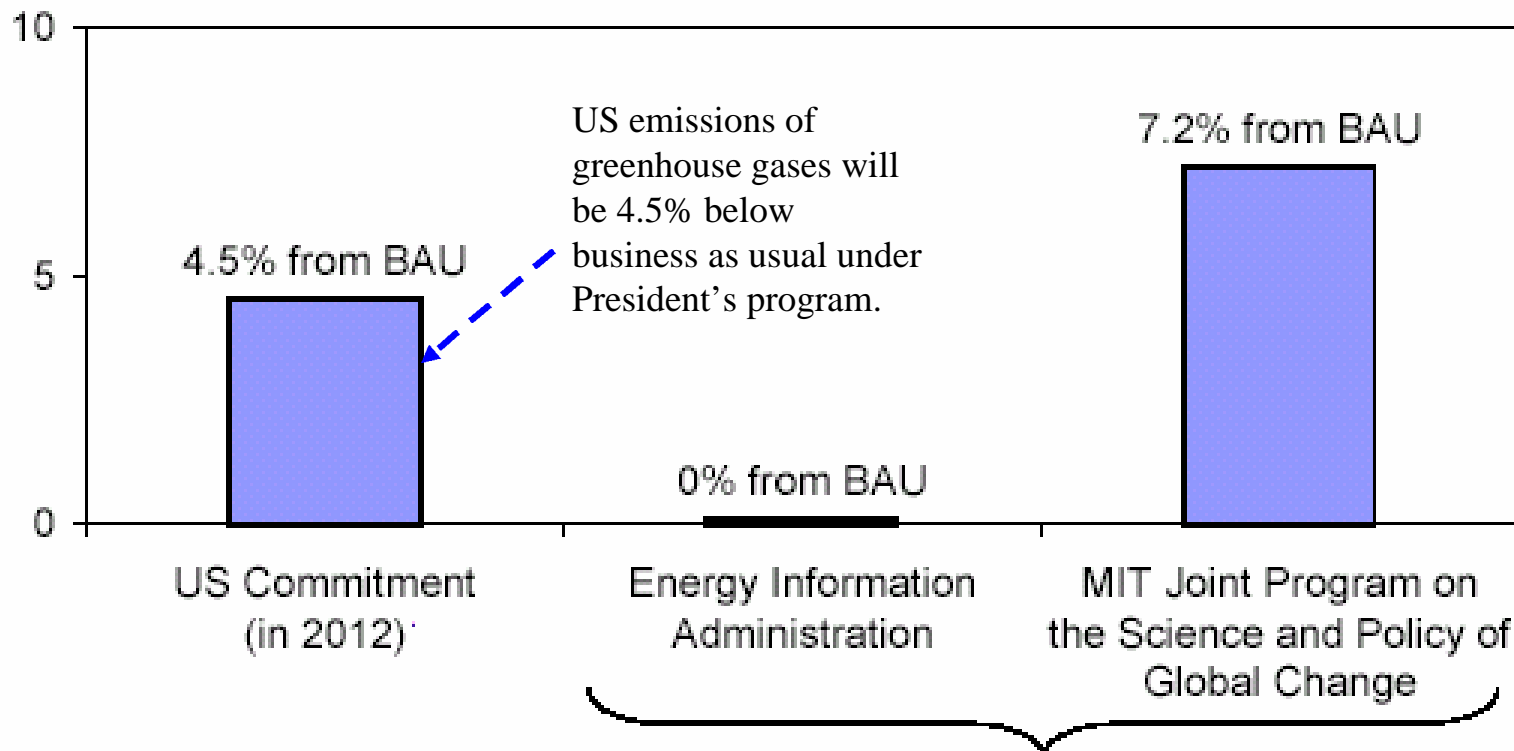
- President's plan would reduce GHG emissions from 183 metric tons per million dollars of GDP in 2002 to 151 metric tons in 2012.
- Program calls for voluntary action until 2012 – if goals not reached then a mandatory trading program may be implemented.

President's program will reduce greenhouse emission intensity 18% over the next decade



Source: US Climate Change Strategy: A New Approach

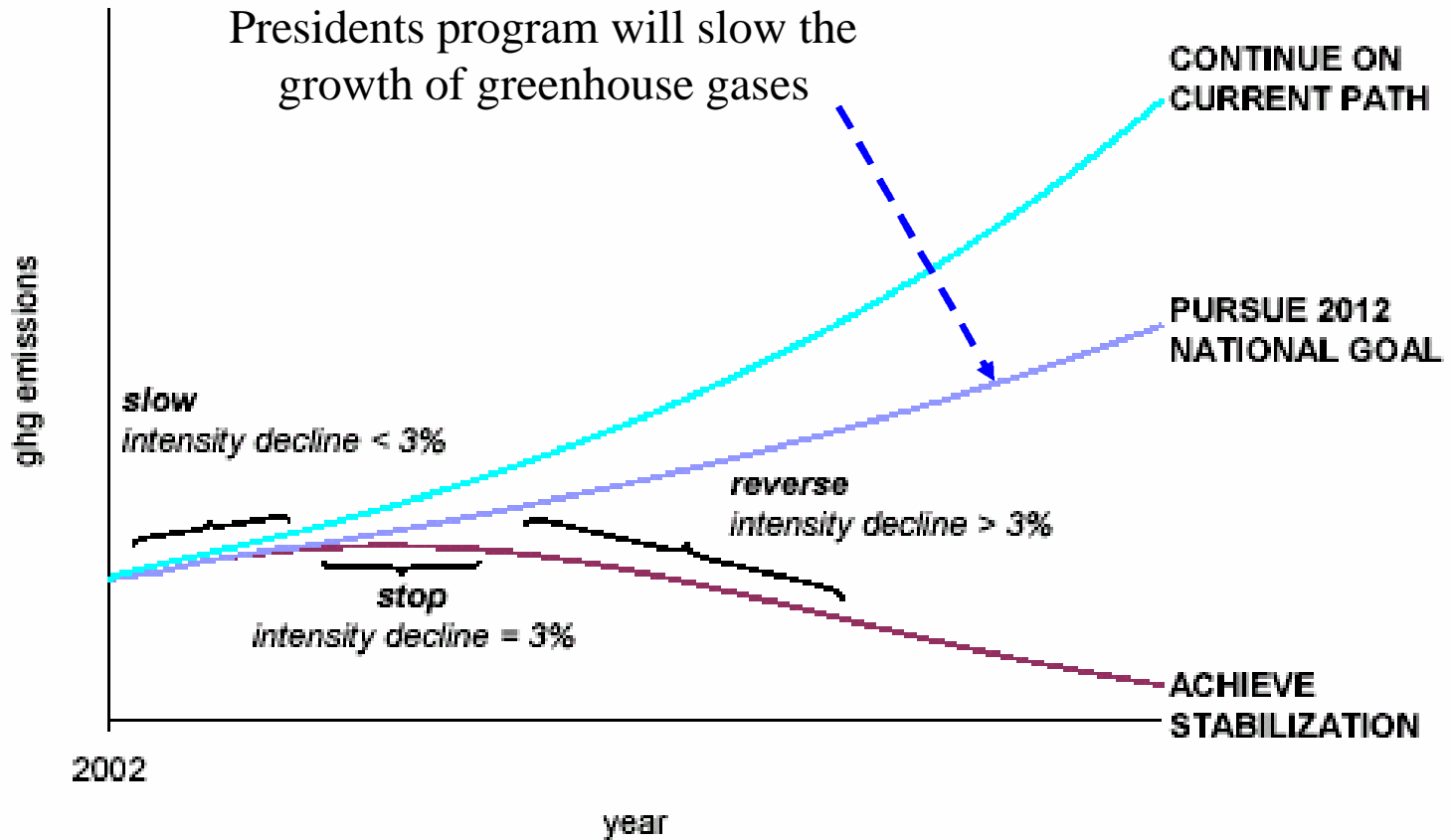
US greenhouse emissions will be in line with the goal other countries will meet under the Kyoto Protocol



37 Kyoto Countries will meet goals of emissions growth
In the range of zero to 7.2% above business as usual.

Source: US Climate Change Strategy: A New Approach

Path to Long-Term Stabilization



Source: US Climate Change Strategy: A New Approach

Presidents Program on Greenhouse Gases

- Setting a goal for greenhouse gas emissions in terms of production of goods and services accommodates economic growth.
- Focusing on greenhouse gas intensity will slow the growth of emissions and enable a shift to stabilization as the science justifies further action.
- President's goal is comparable to the average progress other nations will make under the Kyoto Protocol.
- Greenhouse gas intensity program is a better way to bring about participation of developing countries.
- Program includes R&D and tax incentives for renewables and more efficient energy use, transportation programs and carbon sequestration.

Summary

1. President's program is aggressive and will bring about major reductions in SO₂, NO_x, and mercury. Technology for mercury is untested, and progress toward targets must be monitored to assure that the 2018 target is reachable.
2. Government support for the improvement of pollution control technology and incentives for implementation are essential to ensure success of the program.
3. Unions are studying the President's approach to greenhouse gas reduction.