



PEW CENTER  
Global CLIMATE  
CHANGE

# Cost Containment A Pew and A US Climate Action Partnership (USCAP) Perspective

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Pew Center on Global Climate Change

EPW Minority staff climate roundtable discussion

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# USCAP Companies



**USCAP**  
United States  
Climate Action  
Partnership

"We are committed to a pathway that will slow, stop and reverse the growth of U.S. emissions while expanding the U.S. economy."



Boston  
Scientific



**CATERPILLAR**

**e**  
ENVIRONMENTAL DEFENSE  
finding the ways that work

ConocoPhillips



**Duke Energy**



Johnson & Johnson

**Exelon**

MARSH



 JOHN DEERE



**NRG**

**FPL GROUP**

  
**NRDC**  
THE EARTH'S BEST DEFENSE

The Nature Conservancy  
Protecting nature. Preserving life.

 **PEPSICO**

 **PG&E Corporation**

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**PNM Resources**



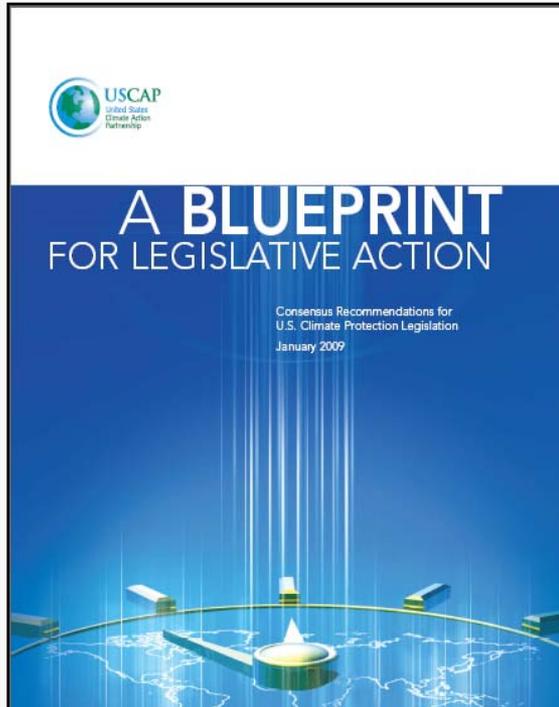
**RIO TINTO**



WORLD  
RESOURCES  
INSTITUTE

**XEROX**

**SIEMENS**



***A comprehensive policy must include measures that contain costs while ensuring the necessary investment in new technologies and actual emission reductions...***

***Cost containment measures should be designed to:***

- ***Protect the economy...***
- ***Drive investments...***
- ***Maintain the integrity of the overall emissions budget established by the cap for each period;***
- ***Achieve reductions in greenhouse gases.***

- Cap and Trade
- Unlimited Banking
- Effective Multi-Year Compliance
- Emission Offsets (both domestic and international)
- Strategic Offset and Allowance Reserve Pool (which allows borrowing)

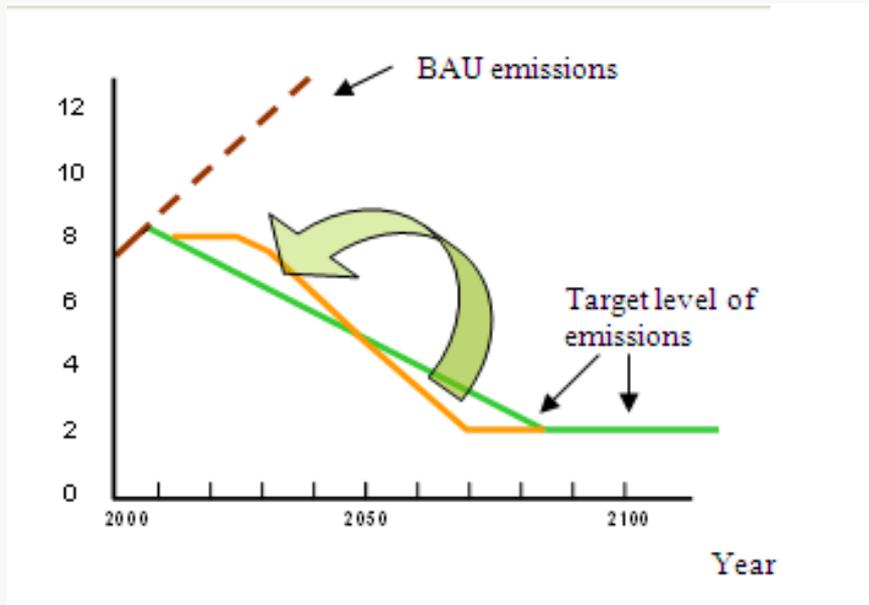
## EPA Analysis of W-M:

- Without international Offsets - Allowance prices are 91% higher (covered firms must find an additional 39 billion tons of reductions)
- Eliminating the availability of just methane from landfills or coal mine methane by covering them with NSPS increases allowance prices by 9%

Offsets must meet stringent quality criteria including: measurable, verifiable, surplus to regulation, beyond business as usual (additional), etc.

USCAP participants believe that access to offsets and use of a strategic reserve are important for cost containment

Strategic Reserve  
(borrowed tons and offsets)



Balancing environmental certainty and cost containment is key to our recommendations.

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