



# *Post Paris U.S. Climate Policy: Economics and Politics*

## *ALPS International Symposium*

*COP21 results and Long-term Reductions of Greenhouse Gas Emissions beyond  
COP21*

*Ray Kopp, Senior Fellow, Resources for the Future*

# Presentation overview

- Review of the US perspective on the Paris Agreement
- Comments on the US Intended Nationally Determined Contribution (INDC)
- Perspectives on the next US INDC
- Challenges facing the US on the road to deep carbon reductions

# The Paris Agreement



- Legal form:
  - Based on pledge and review
  - Obligation to submit pledges and report progress
  - No obligation to achieve outcomes
  - Facilitative compliance
- 5-year Cycles: pledge, report, review
  - Collective goals: 2018 facilitative dialogue on progress towards long-term goal, thereafter global stocktake 2023, 2028, ...
  - Pledge (or reconsider) INDC for 2030 by 2020 (9-12 months in advance), then every 5-years with report and review process TBD
- Mitigation: long-term goals
  - Limit temperature rise to well below 2 C, pursue efforts to limit to 1.5 C
  - Peak global GHG emissions ASAP
  - Achieve net zero GHG emissions in the 2<sup>nd</sup> half of the century

# The Paris Agreement - continued

- Finance

- Copenhagen pledge sets the floor through 2025 (intend to continue collective goal mobilize 100B\$/year by 2020 from public and private sources)
- Prior to 2025 establish a new collective goal from the previous floor
- TBD: methodology and methods to mobilize, verify and utilize funds

- Loss and Damage

- Warsaw International Mechanism (under Adaptation) may be enhanced
- “...does not involve or provide a basis for any liability or compensation”

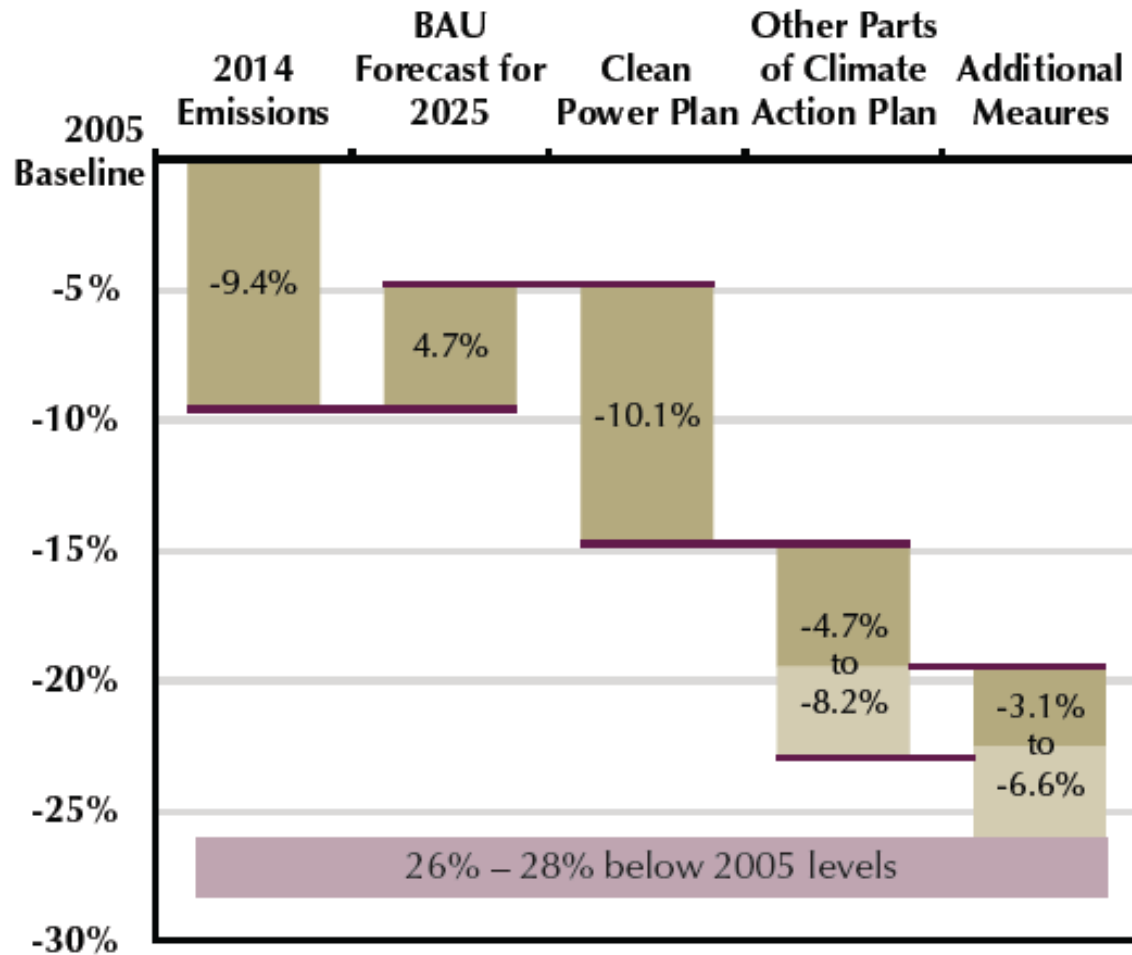
- Carbon Markets

- Nations may cooperate in achieving their NDCs, voluntary actions may include the use of *internationally transferred mitigation outcomes*
- Establishes a sustainable development mechanism” (CDM+)
- Must assure environmental integrity, no double counting

# The Paris Agreement - continued

- Carbon pricing
  - For non-party stakeholders: Recognizes *the important role of providing incentives for emission reduction...including ...domestic policies and carbon pricing*
- Transparency & CBDR
  - Pledges: Parties communicating their INDCS, in order to facilitate clarity, transparency and understanding, *may include*, as appropriate, ...
  - Reports and Reviews: developing countries shall be provided *flexibility...* including in the scope, frequency and level of detail of reporting, and in the scope of review, and that the scope of review could provide for in-country reviews to be *optional*”

# US INDC in summary form



# Is the US on-track?

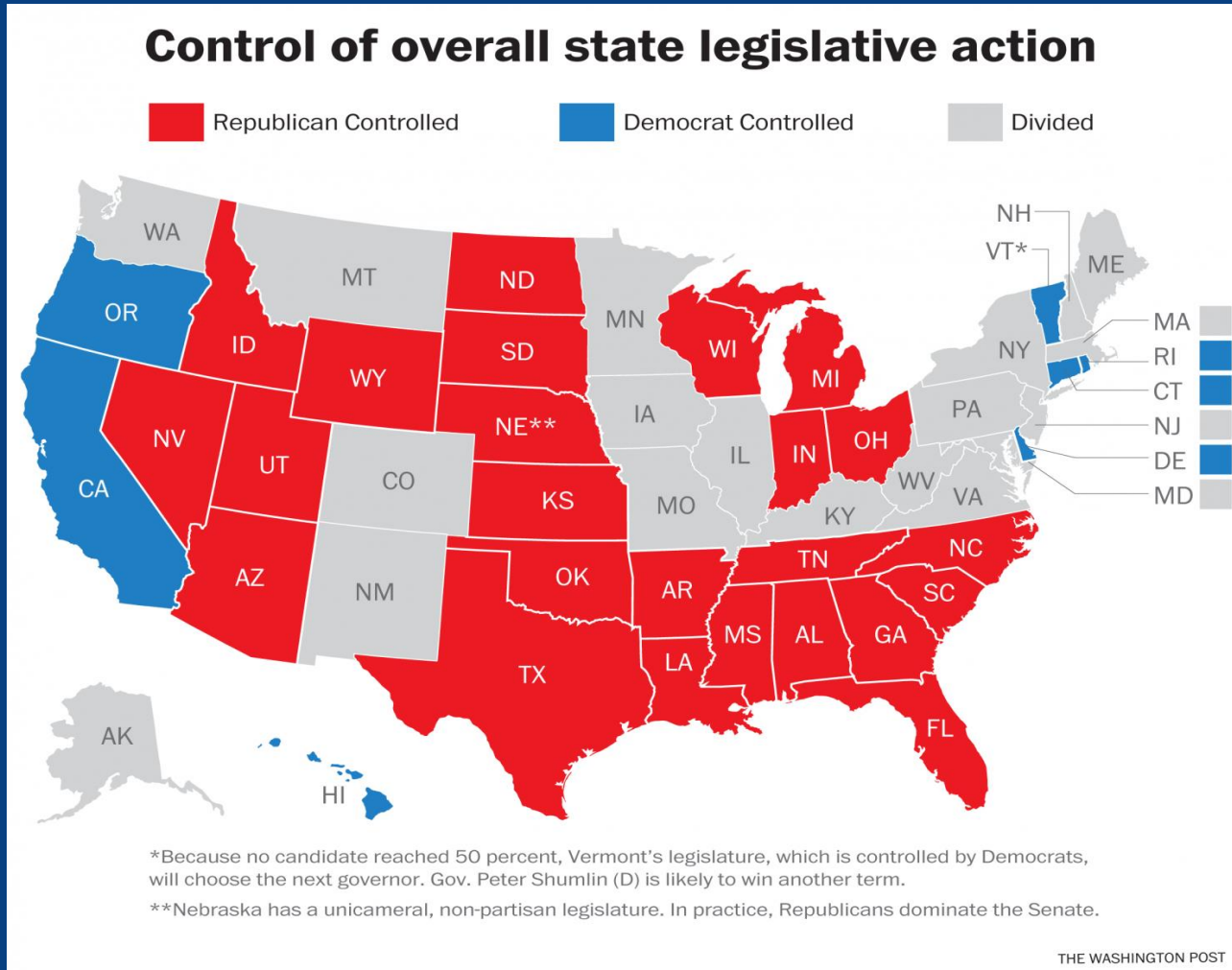
## On the up side

- Increased biological sequestration

## On the down side

- Clean Power Plan
  - Leakage, legal challenges, 2017 Congress and President
- Climate Action Plan
  - Light duty vehicle emission regulation - Vehicle choice and intensity targets
- Additional Measures
  - Heavy duty truck regulations
  - New Methane regulations
  - State-level policies

# States Play an Important Role in Efforts to Reduce Emissions





# Taking Stock

- There are large and significant federal regulatory policies in place and these policies will lower US emissions.
- However, it is safe to say that it is highly unlikely any factors will work to increase emissions reductions from that contained in the INDC. That is, it is hard to see the US over-performing with respect to its current INDC
- Rather, uncertain factors will likely lead to increased emissions.
- Some uncertainty with respect to the path of future US emissions will be reduced after the current litigation of the CPP concludes and the next Congress and President take office next January.

# Perspectives on the Next US INDC

- The time is short to define increased ambition
- Assessing the actions of others
- Absence of new existing authorities
- Some potential new authorities

# Challenges Facing the US on the Road to Deep Carbon Adjustments

- Political
- Lack of harmonized, efficient and effective policies
- Special interests controlling the discussion
- Transportation

Thank you