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HEARING ON

“THE PRESIDENT’S UN CLIMATE PLEDGE: SCIENTIFICALLY JUSTIFIED
OR A NEW TAX ON AMERICANS?”

BEFORE THE COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY
U.S. HOUSE OF REPRESENTATIVES

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Chairman Smith, Ranking Member Johnson and distinguished members of the Committee, thank you for inviting me to present the Natural Resources Defense Council’s (NRDC’s) views on the U.S. target to cut emissions 26-28 percent below 2005 levels by 2025 in order to address climate change.

We have a responsibility to protect our children and future generations from the effects of climate change by reducing emissions of carbon dioxide and other heat-trapping pollutants. This can be done in a manner that protects public health, spurs job creation, and helps address the significant damages from climate change. Acting responsibly at home is also an essential component of efforts to secure strong global action, including from other major emitters. Our

actions at home show other countries that the world's largest economy is prepared to rise to the challenge to address climate change.

The new target from the U.S. to cut its emissions 26-28 percent below 2005 levels by 2025 shows a commitment to strong continued action from the U.S. to cut its carbon pollution at home and sends a powerful signal to the world. This announcement comes forward as a part of the international effort to secure a new agreement this December in Paris, France. The target was first announced in November 2014, alongside a commitment from China to peak its carbon pollution and expand clean energy.

The consequences of inaction on climate change are grave. We are already seeing the impacts of climate change on our communities and facing substantial costs from these impacts. But the costs that our children and grandchildren will face if we fail to act now are simply unacceptable. The latest U.S. Third National Climate Assessment found that if greenhouse gas emissions are not reduced it is likely that American communities will experience: increased severity of health-harming smog and particulate pollution in many regions; intensified precipitation, hurricanes, and storm surges; reduced precipitation and runoff in the arid West; reduced crop yields and livestock productivity; increases in fires, insect pests, and the prevalence of diseases transmitted by food, water, and insects; and increased risk of illness and death due to extreme heat.¹ A recent bipartisan study of the economic risks of climate inaction in the Midwest put these impacts in stark context. This study found that:

“Rising heat resulting from increased greenhouse gas emissions is likely to affect the Midwest region's ten major metropolitan areas through higher heat-related mortality,

¹ U.S. National Climate Assessment, *Climate Change Impacts in the United States*, 2014, available at: http://s3.amazonaws.com/nca2014/low/NCA3_Full_Report_0a_Front_Matter_LowRes.pdf?download=1

increased electricity demand and energy costs, and declines in labor productivity.

Meanwhile, without significant adaptation on the part of Midwest farmers, the region's thriving agricultural sector—particularly in the southern states—is likely to suffer yield losses and economic damages as temperatures rise.”²

Strong and sustained efforts to address carbon pollution and other heat-trapping pollutants can significantly decrease these impacts on the U.S. and other countries. The new U.S. climate target is essential to helping stave off the worst of these impacts.

The U.S. target can be achieved under existing law, cost-effectively. Under existing law, President Obama has set in motion a number of carbon-cutting actions pursuant to an earlier target to reduce U.S. carbon emissions 17 percent below 2005 levels by 2020. These actions include carbon pollution standards for America’s power plants, improved vehicle efficiency standards, appliance efficiency standards, efforts to address methane, and standards to reduce the climate pollution of coolants used in air conditioners and refrigerators. This new target will build upon these efforts as all these standards have timeframes that extend past 2020 to give businesses longer-term certainty for their investment decisions.

The U.S. can meet both its 2020 and 2025 targets using existing laws like the Clean Air Act, energy efficiency laws, and steps to protect our public lands and waters. New acts of Congress may be needed in the long-term, but the U.S. can take a big bite out of its climate pollution using the laws already on the books. Analysis from groups like the World Resources Institute (WRI) has found that cuts on this order are achievable under existing laws. WRI found

² Risky Business Project, *Heat in the Heartland: Climate Change and Economic Risk in the Midwest*, 2015, available at: <http://riskybusiness.org/uploads/files/RBP-Midwest-Report-WEB-1-26-15.pdf>

under its “go-getter” scenario cuts of 28 percent were achievable based upon existing federal and state laws and policies.³

These cuts can be achieved cost-effectively while helping to create jobs, and achieving important health benefits for our children. For example, NRDC’s analysis of cost-effective cuts in the carbon pollution from the power sector found that emissions reductions of 36 percent below 2005 levels by 2020 and 44 percent by 2030 can be accomplished with net benefits estimated to be up to \$70 Billion and \$108 Billion respectively.⁴

Time and again American ingenuity, entrepreneurs, and workers have risen to address great challenges. Why would some question our ability to unleash these same dynamics on climate change? That opportunity to address this challenge is why more than 140 entrepreneurs recently wrote in support of the new U.S. target, stating:

“The commitment to further cut U.S. emissions by 2025 will send an even stronger market signal than existing policies can do alone. It will build upon these current efforts and help drive even more innovation, job creation, and pollution reduction. We have seen first-hand the ability of robust U.S. policies to spur clean energy deployment. Although clean energy is still an emerging energy sector, representing only 6 percent of generation, it is a strong economic growth sector. Including all clean energy sectors, the U.S. has an estimated 3.4 million clean jobs as of 2013 – a number which is steadily growing. In the last two years E2 has tracked nearly 700 clean energy and clean transportation project announcements that could create more than 233,000 jobs when

³ See: World Resources Institute, *Can The U.S. Get There From Here?: Using Existing Federal Laws and State Action to Reduce Greenhouse Gas Emissions*, 2013, available at:

http://www.wri.org/sites/default/files/pdf/can_us_get_there_from_here_full_report.pdf

⁴ See NRDC comments on EPA’s draft carbon pollution standards, available at:

http://docs.nrdc.org/air/files/air_14120101a.pdf

completed. Well-designed additional measures will capitalize on these existing investments in clean energy and support new investments that create more opportunities to unleash America's clean energy economy."⁵

U.S. action at home spurs global action. For almost two-decades, inaction on climate change in the U.S. has been a major stumbling block to securing strong international action on climate change. Other countries often perceived that the U.S. wasn't willing to walk-the-walk. But strong domestic action from the U.S. in the past couple of years has begun to change that perception. I now hear more positive reactions about U.S. climate action from government officials in London, Delhi, and Beijing than just a few years ago.

When the U.S. is willing to step forward domestically, it can have a catalyzing impact in other countries. This is evident in the new commitment from China to peak its emissions - a commitment no one thought was possible just a few short years back. This commitment occurred only after the U.S. showed that it was taking strong domestic action by implementing a series of measures as outlined in the *Climate Action Plan* and after it was prepared to strengthen that commitment with even stronger targets for 2025. When the world's largest economy acts it sends a powerful signal to other governments that they also can and must act aggressively on climate change.

⁵ The letter was organized by Environmental Entrepreneurs (E2) a national, nonpartisan group of business leaders, investors and others who promote smart environmental policies that drive economic growth. Their members, active in nearly every state in the country, have built or financed more than 1,700 companies, created more than 570,000 jobs, and manage more than \$100 billion in venture and private equity capital. For full letter and signatories see: http://cleanenergyworksforum.org/wp-content/uploads/2015/03/InternationalCommitment_Release_FINAL2.pdf

This U.S. action couldn't come at a more critical juncture in efforts to address climate change as leaders meet later this year to finalize a new international agreement to address climate change. This agreement will solidify even deeper commitments from key countries around the world. Already the European Union, Switzerland, Mexico, and China have announced the outlines of their new commitments as a part of this agreement. To date, countries accounting for 58 percent of carbon pollution from the energy sector have announced post-2020 climate targets. And more countries around the world like India, South Korea, Brazil, South Africa, and Indonesia are diligently working on their proposed targets as a part of the international agreement.

Other countries are acting and prepared to do more. For almost two decades opponents of climate action in the U.S. have argued that the U.S. shouldn't act until other major emitters also act. In the past couple of years one of the key shifts is the perception that countries like China aren't doing anything on climate change – a relic of the debate almost two decades ago – to a new reality – that China is taking serious action.

As a part of the U.S.-China agreement, China's President Xi Jinping committed to peak its carbon pollution by 2030, with the intention to try to peak early, and committed to increase the non-fossil fuel share of all energy to around 20 percent by 2030.ⁱ This is a commitment to even deeper cuts in the country's climate pollution than many expected was achievable just a few short years ago. In fact, prior to the announcement many experts predicted that China's emissions wouldn't peak for several more decades. The U.S. Energy Information Administration's reference scenario, for example, projected that China's CO₂ emissions wouldn't peak until well after 2040, and other estimates followed a similar trend.ⁱⁱ

Despite the perception that this new commitment doesn't require China to "do anything for 16 years", China is taking a number of actions that will help reduce its emissions in the near-term. To date China has taken a number of steps including:

- *Renewable energy.* China has a National Renewable Energy Law that has helped the country increase its domestic wind and solar energy deployment from almost nonexistent levels a decade ago to the largest in the world today. The National Energy Development Strategy Action Plan has set ambitious targets for wind power and solar PV capacity to reach 200 GW and 100 GW by 2020 – from 96 GW (grid connected) and nearly 28 GW, respectively, at the end of 2014.
- *Energy efficiency.* China's 12th Five Year Plan set a binding energy efficiency target to cut energy consumption per unit of GDP by 16 percent from 2011-2015. They are meeting this target through a set of measures, including mandatory energy efficiency programs for the top 15,000 energy consuming companies in the country. Last year, China surpassed its key energy efficiency target by cutting energy intensity by 4.8 percent below 2013 levels, putting it on track to meet its 16 percent reduction target.
- *Coal consumption caps.* In response to China's air pollution, mandatory coal consumption caps have been adopted in many of China's largest coal consuming provinces. Beijing, Tianjin, Hebei and Shandong, some of the largest coal-consuming provinces, have announced a target to reduce their coal consumption by 83 million tons by 2017, compared to 2012 levels. Shanghai, Zhejiang, Jiangsu and Guangdong (for its industrial Pearl River Delta) will announce their 2017 coal reduction targets by June this

year. The State Council in the new Energy Development Strategy Action Plan established a national coal consumption cap of 4.2 billion tons for 2020.

Similar dynamics are occurring in India. Prime Minister Modi has recently reemphasized that climate change is a priority for India, and announced ambitious clean energy goals to help provide energy access throughout the country. India's current climate actions include efforts to spur more renewable energy and energy efficiency:

- *Renewable energy.* India's flagship National Solar Mission, which originally aimed to install 20 GW of solar power capacity by 2022, is now targeting 100 GW of solar by 2022. In just four years, India's solar market has grown more than 100 fold to nearly 3 GW of commissioned projects by the end of December 2014. India is also the world's fifth largest wind energy producer. The Modi government is aiming to achieve 40 GW of onshore wind power by 2019, doubling its currently installed wind capacity.
- The government launched the Energy Conservation Building Code in 2007 and plans to make it mandatory nationally by 2017. This code would establish energy efficiency codes and standards for buildings. Seven of India's 29 states have made the code mandatory as of June 2014, and 15 more plan to follow. India also has a program called Perform, Achieve, and Trade (PAT) to encourage energy-intensive industries in India, such as thermal coal power plants and cement and steel manufacturing, to become global efficiency leaders. India also has a strong standards and labeling program for key appliances, such as lighting, fans, and air-conditioners.

Conclusion. The U.S. target to cut its carbon and other heat-trapping pollution 26-28 percent below 2005 levels by 2025 has broad support from leading businesses, entrepreneurs, Latino leaders, faith-based organizations, and labor groups stated their support for the target. These include: more than 140 business leaders⁶; Ceres, which directs the Investor Network on Climate Risk which has collective assets totaling more than \$13 trillion⁷; the BlueGreen Alliance, a partnership that unites America's largest labor unions and environmental organizations⁸; forty Latino leaders from across the nation representing the health, business, academic, financial, entertainment, and leadership development and civic engagement sectors⁹; and two leading faith-based organizations – The Maryknoll Office for Global Concerns¹⁰ — and the Religious Action Center of the Union for Reform Judaism¹¹.

The U.S. target is achievable and sends an important signal to the world. It can be achieved cost-effectively under existing law. Strong domestic action at home by the U.S. has already helped secure meaningful commitments from other major emitters. It has already spurred key major emitters like China and Mexico to come forward with new commitment to cut their carbon pollution.

Thank you.

⁶ See: http://cleanenergyworksforum.org/wp-content/uploads/2015/03/InternationalCommitment_Release_FINAL2.pdf

⁷ See: <http://www.ceres.org/press/press-releases/ceres-commends-u.s.-offer-of-domestic-emissions-cuts-towards-an-international-climate-agreement>

⁸ See: <http://www.bluegreenalliance.org/news/latest/statement-emissions-reduction-pledge-reinforces-u-s-commitment-to-lead-on-climate-change>

⁹ See: <http://www.vocesverdes.org/in-the-news/489/letter-38-national-latino-leaders-applaud-the-us-commitment-to-strengthen-climate-action>

¹⁰ See: <http://maryknollogc.org/statements/mogc-applauds-indc-contribution>

¹¹ See: <http://www.rac.org/reform-jewish-movement-applauds-us-proposed-emission-reduction>

ⁱ See White House fact sheet: <https://www.whitehouse.gov/the-press-office/2014/11/11/fact-sheet-us-china-joint-announcement-climate-change-and-clean-energy-c>

ⁱⁱ For example, the International Energy Agency didn't project Chinese CO₂ emissions peaking until after 2040 – the latest date in their projection – under their “current policies scenario” (IEA, *World Energy Outlook* 2014). The U.S. Energy Information Administration projected that China's CO₂ emissions wouldn't peak until after 2040 – the latest date for the projection – under their “reference case” (EIA, *International Energy Outlook* 2013). A study conducted by the MIT Joint Program on the Science and Policy of Global Change found that China's CO₂ emissions wouldn't peak until after 2050 in their “no policy” case, and not until some time between 2035 and 2045 in their “continued effort” scenario – which assumes a CO₂ price is applied in the Chinese economy of \$26/ton in 2030 and \$58/ton in 2050 (MIT, *Carbon emissions in China: How far can new efforts bend the curve?*, 2014).