



CLIMATE: Boucher would delay energy conference for cap-and-trade package *(Friday, September 7, 2007)*

Darren Samuelsohn and Ben Geman, *E&E Daily* senior reporters

Congress should delay energy bill conference talks until lawmakers pass separate climate change legislation and then combine the measures into a single package, Rep. Rick Boucher (D-Va.) said yesterday.

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In an interview, Boucher pledged to have a cap-and-trade plan ready for Democratic leaders to bring to the House floor before the end of the year. If the energy conference can wait, Boucher said Democratic leaders would have a good shot at presenting a more sweeping climate and energy package to President Bush.

"Having one conference I think is better than trying to do two on energy during the course of a single Congress," said Boucher, the chairman of the House Energy and Air Quality Subcommittee. "I think it's very difficult to expect that two will be conducted and successfully concluded. One, I think, can be. My preference would be we put all of this into a single conference."

Boucher said he pitched the one-conference strategy to House Speaker Nancy Pelosi (D-Calif.) earlier this summer but didn't get an answer. A House Democratic leadership aide said that was not currently the plan and noted that the cap-and-trade bill has not even been written, let alone reached the floor.

"I don't think we are going to hold back on conference negotiations on the energy bill," the aide said. "They are moving forward on how to proceed with a conference."

The House and Senate passed energy policy bills earlier this summer that differ in key respects. The Senate plan would increase vehicle efficiency standards and expand the national renewable transportation fuels mandate. The House package, meanwhile, creates a national mandate for renewable electric power sales and contains an energy tax title. House and Senate Democratic leaders have said they want to proceed to an energy bill conference but have not provided a

timeline.

Throughout this year's energy debate, some Democrats have urged Pelosi to collect all energy and climate-related items and put them into a single package, including a cap-and-trade bill that would lower heat-trapping emissions from across the U.S. economy. For example, House Energy and Commerce Committee Chairman John Dingell (D-Mich.) has said he wanted to wait on fuel economy standards for motor vehicles until his panel had a chance to have a more robust global warming debate.

Pelosi did not force the fuel economy issue during this summer's energy debate, but she still drew sharp GOP criticism for not passing a bill more heavily tilted toward energy production. She also took flak from some within her own party for forcing a bill that distracted members from even bigger accomplishments. Dingell's panel, for one, had been holding a steady stream of hearings on cap-and-trade during the spring but halted that effort to draft and move an energy package that could meet Pelosi's deadlines.

Calls are likely to grow on holding off on an energy conference until cap-and-trade is ready considering how much time and energy will be required of the lawmakers and staff who would work on both sets of issues. Advocates of cap-and-trade also are antsy to see progress given the already packed congressional calendar and the wide-open presidential campaign.

"Waiting is always dangerous here," said Rep. Jane Harman (D-Calif.), a member of the House Energy and Commerce Committee who lost a battle with Pelosi earlier this year over the chairmanship of the House Intelligence Committee. A cap-and-trade supporter, Harman said she liked the idea of folding that package together with the already-passed energy legislation. "I think we should start a conference and then see what else we can add to it," she said.

But several other observers on and off Capitol Hill expressed doubt about the notion of a merged conference, noting the complexity and scope of a combined package. One energy policy expert who has worked on the Hill said just reconciling the House and Senate energy bills will be tough on its own.

"Each of these issues individually -- fuel economy, renewable fuel standard, the tax package, energy efficiency measures -- are very important and complex," this expert said. "Conferencing just those measures will be a difficult but probably doable task. Trying to add mandatory climate legislation on top of it would seem a road too far. I think it would just unnecessarily complicate both efforts."

Cap-and-trade discussion draft due in a month

Pelosi planted global warming atop her agenda from the first day she took control of the House in January. Since then, the speaker of the House has quarreled in private with Dingell and Boucher

over the strategy for moving energy and climate legislation.

Before becoming speaker, Pelosi cosponsored one of the strongest bills on Capitol Hill for curbing U.S. emissions. Dingell, by contrast, raised doubts about the science linking human activity to global warming. The 27-term lawmaker has since warmed to climate legislation and assigned Boucher with the task of drafting a cap-and-trade bill in his subcommittee.

Over the August break, Boucher made his second trip this year across the Atlantic to meet with government, business and environmental officials about Europe's experience with implementing cap-and-trade policies for compliance with the Kyoto Protocol.

Describing his tutorial, Boucher told *E&E Daily* the Europeans expect to run a more sound emissions trading system beginning in January, which accounts for flaws that occurred during their program's three-year trial run that started in 2005. The largest flaw, experts say, involved the over-allocation of emission credits to countries that did not have proper data on their historical pollution levels.

"I'm confident we can avoid the problems Europe encountered when we structure emissions trading here," Boucher said. "Whatever problems they encounter pose no barrier for us in terms of moving forward."

Boucher said he is focused on cap-and-trade and doesn't plan to do anything with Dingell's upcoming legislative proposal to impose a tax on the carbon content of fossil fuels and gasoline. Instead, Boucher said he expects to release a discussion draft within the next month, with a formal bill introduction to follow after he reviews comments from committee members.

"It will be unlike anything that's been proposed in the House or Senate previously," he said. "It will be unlike the European system. What it will have in common with those proposals is that it will be market oriented. It will be mandatory. And it will have emissions trading."

Asked what level of pollution requirements he anticipates, Boucher signaled he would offer a plan that doesn't seek to force very aggressive short-term cuts but does pursue a sharp overall limit -- perhaps around 80 percent by midcentury.

"Our goal is to be very aggressive in the 2050 timeframe," he said. "We've not settled on a number yet or the baseline year, but suffice it to say, we intend to be very aggressive for the out years."

Boucher added: "We also have got to be aware of the fact that until about 2025, we're not going to have the technology available that'll enable coal-fired electric utilities to continue to use coal in a carbon-constrained environment. And so we have to be cognizant of that reality as we draft the schedule for emissions reductions."

While no specific markup date has been set, Boucher said he would have the votes when the time

comes for moving a bill. "The goal is to have it done through the entire committee process this fall."

Across Capitol Hill, Senate Democrats have suggested they are on a similar timetable for moving cap-and-trade legislation.

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