Section-by-Section Summary of the Safe Climate Act

Sec. 1. Short Title

The short title of the bill is the Safe Climate Act.

Sec. 2. Findings and Sense of Congress

This section makes a series of findings regarding the scientific consensus on the threat posed by climate change, the impacts that have already been observed, the need for emissions reductions within a decade to protect against dangerous climate change, and the opportunities to reduce emissions while saving money and enhancing national security by using existing energy efficiency and renewable energy technologies.

This section also expresses the sense of Congress that the United States should participate in international negotiations to secure agreements under the 1992 Framework Convention on Climate Change. The agreements should commit all major emitters of greenhouse gases to reduce emissions, consistent with their individual responsibilities, so as to avoid dangerous climate change and protect U.S. economic and national security interests.

Sec. 3. Amendments to the Clean Air Act

This section amends the Clean Air Act to add a Title VII on greenhouse gas emissions, as detailed below.

Sec. 701. Emission Reduction Targets

This section requires EPA to set annual emission reduction targets for total U.S. greenhouse gas emissions as follows:

- In 2010, emissions are frozen at the 2009 level.
- Beginning in 2011, emissions are cut by roughly 2% per year, falling to 1990 emissions levels by 2020.
- Beginning in 2021, emissions are cut by roughly 5% per year, falling to 80% below the 1990 emissions levels by 2050.

Sec. 702. National Academies Review

This section requires the National Academies, acting through the National Academy of Sciences and the National Research Council, to report every five years on the prospects for avoiding dangerous climate change and the progress made to date. The National Academies must evaluate the adequacy of the emission reduction targets and assess whether various indicators of significant global warming have occurred or are likely to occur. If the National Academies conclude that dangerous climate change is likely, the Academies must identify how much further emissions should be reduced and recommend additional U.S. and international actions to achieve those reductions.

Sec. 703. Regulations.

This section requires EPA, within two years of enactment, to issue rules to reduce greenhouse gas emissions to meet the emissions reductions targets established under section 701. It further requires that if the National Academies recommends a regulatory action under section 702 that is within the authority of a federal agency, such agency must act to implement or reject the recommendation within two years.

Sec. 704. Market-Based Cap on Emissions.

This section establishes the ground rules for EPA's cap-and-trade program. It directs EPA to include in the program the largest sources of emissions and/or those that are most cost-effective to control. A covered source must surrender an emissions allowance for each ton of carbon dioxide (or equivalent quantity of another greenhouse gas) emitted.

The allowances are to be distributed according to a plan developed by the President, after allowing Congress time to ratify or modify the plan if it chooses. Allowances are distributed through auctions and, if the President chooses, through allocations without charge. Proceeds from auctioned allowances go to the Climate Reinvestment Fund. Any allowances allocated without charge can be given either to entities not subject to the caps (e.g., to farmers that have sequestered carbon on their land) and/or to covered entities. Revenues in the Climate Reinvestment Fund are to be expended, subject to appropriations, to maximize the public benefit and promote economic growth, including to support technology research and development, compensate consumers for any energy cost increases, provide transition assistance for affected workers and regions, and protect against harm from climate change, such as to safeguard water supplies, protect against hurricanes, and mitigate harm to fish and wildlife habitat.

EPA must issue rules requiring that greenhouse gas emissions are accurately tracked, reported and verified, to ensure that the trading program is robust and enforceable. If a source emits in excess of its allowances, the source must make up the excess emissions through reductions in the following year and pay a fine of twice the market value of such emissions.

EPA is authorized to extend the initial compliance deadlines by a maximum of two years, if EPA finds that given the enactment date, additional lead-time for emissions reductions would substantially lower compliance costs. Any such extension would not affect the 2020 cap level.

Sec. 705. Additional Authority to Regulate Greenhouse Gas Emissions

This section authorizes EPA (in addition to its existing authority) to issue additional regulations to reduce greenhouse gas emissions to meet the targets.

Sec. 706. Greenhouse Gas Emissions Standards for Motor Vehicles

This section directs EPA to issue standards limiting greenhouse gas emissions from motor vehicles. The standards must be at least as stringent as the current California standards. EPA must revise the standards by 2014, and periodically every five years thereafter, to further reduce motor vehicle greenhouse gas emissions, taking into account the reductions needed to reach the targets and the technological feasibility of various standards.

Sec. 707. Savings Clause

This section ensures that nothing in this title preempts or limits State actions to address climate change.

Sec. 708. Definitions

This section defines key terms in the bill.

Sec. 4. National Renewable Energy Standard

This section amends Title VI of the Public Utility Regulatory Policies Act of 1978 to add a new section 610.

Section 610 directs the Department of Energy to establish national standards requiring that an increasing proportion of electricity be generated from renewable energy sources. The standards apply beginning in 2009 and ramp up through 2020, when 20% of retail electricity sold must be generated from renewable energy sources. DOE may increase this percentage after 2020. A savings clause ensures that state efforts to enhance renewable energy are not preempted.

Sec. 5. National Energy Efficiency Standard

This section amends Title VI of the Public Utility Regulatory Policies Act of 1978 to add a new section 611.

Section 611 directs DOE to establish national standards requiring utilities to obtain, each year, a percentage of their electricity or natural gas supplies through energy efficiency improvements at customer facilities. The savings targets increase gradually from 0.25% of sales in 2010 to 1% of sales in 2012 and each following year through 2020. Each year’s required savings would be in addition to the quantity of savings required in previous years, allowing the savings to accumulate. DOE may increase these percentage savings requirements after 2020. A savings clause ensures that state efforts to enhance energy efficiency are not preempted.