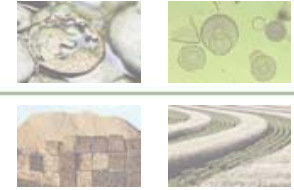




Nicholas Institute for Environmental Policy Solutions
Nicholas School of the Environment and Earth Sciences • Duke University



Climate Change and Energy in 2009

Tim Profeta
December 9, 2008





The Change Agent:





Scenario A: Presidential leadership

- President makes climate change and energy a top agenda item, engages with Congressional leadership
- Leadership of both Houses forces engagement and equitable tradeoffs
- Legislation passes in the next Congress



Scenario B: Chaos

- No Presidential Leadership
- Leadership vacuum in Senate draws in all ideas, good, bad and ugly
- Chairmanship fight in House undercuts progress
- 2009 spent posturing, without clear leadership.
- 2010 likely dominated by 2010 election positioning
- Climate and energy policy may be left undone



Why should President Obama take path A instead of B?

Strategic Imperatives:

- Action already here through Clean Air Act and States and regions.
- Regain U.S. stature on global stage.
- Synergy with energy security.
- The economic opportunity of a low-carbon economy is bottled up behind legislative action.

Why should President Obama take path A instead of B?

Political Imperative:

The New York Times
nytimes.com

Center for American Progress



November 9, 2008

OP-ED CONTRIBUTOR

The Climate for Change

By AL GORE

THE inspiring and transformativ
president lays the foundation for
begin an emergency rescue of hu

Green Recovery

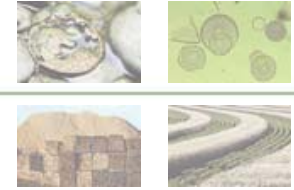
A New Program to Create Good Jobs and Start Building a Lov



November 10, 2008

Boost economy with clean energy industry

BY BILL ANGELES



Likely Program: Fiscal stimulus, market reorientation, and investment in innovation

- Injection of capital towards Green Capital Stock
- Reorientation of the market by pricing carbon
- Targeted deployment programs to get technologies to scale
- Increase in R&D funding





Likely Program: Early signals

- Nov. 18: Obama statement calling for cap-and-trade
- Dec. 6: Obama statement on economic plan features three items:
 - “Massive effort to make public buildings more energy-efficient.”
 - “The single largest new investment in our national infrastructure since the creation of the federal highway system in the 1950s.”
 - “Repair[ing] broken schools, make them energy-efficient, and put new computers in our classrooms.”





Likely Program: Early signals

- Dec. 2: Senator Reid and Boxer describe the energy/climate agenda:
 - First bill, to be introduced in January, includes \$15 billion a year to spur innovations in clean energy
 - Second bill will direct the Environmental Protection Agency to set up a cap-and-trade system that reduces greenhouse gas emissions to their 1990 levels by 2020, and an additional 80 per cent by 2050.

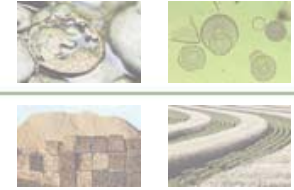




Alignment: Examples from peer states

- Virginia: Just finished its one-year Commission process, and is moving towards executive action and legislation,
- Tennessee: Gov. Bredesen committed \$70 M to biofuels research; I-65 "green" corridor project with biofuel and electrification for diesel trucks for which he hopes to match with federal funds
- Kentucky: Gov. Beshear recently announced his energy policy that includes energy efficiency, renewables and carbon capture and sequestration.
- Mississippi: Gov. Barbour decided to focusing on bioenergy in the South through his chairmanship of the Southern Growth Policies Board.





Aligning North Carolina with Federal Programs

- Break down barriers to investment in green economy
- Demonstrate investment potential through pilots
- Build state capacity to operate in green economy, both through infrastructure and staffing
- Create innovative programs to encourage green manufacturing.
- Design focused N.C. program on green energy innovation, akin to RTP.





For those interested in more, many recent reports on these topics at www.nicholasinstitute.org