

# Western States To Try Cap-And-Trade System

Manufacturing.net

GRANTS PASS, Ore. (AP) -- A coalition of seven western states and three Canadian provinces on Tuesday offered its most detailed strategy yet for controlling greenhouse gas emissions blamed for climate change, saying they hope it will stand as a model for national systems in the United States and Canada.

At the core is a cap-and-trade system that would go into effect in January 2012, gradually ramping down emissions levels. The system, which gives financial incentives to reduce carbon emissions, would start with power plants, then extend to large industrial producers and transportation.

The goal is to cut greenhouse gas emissions in the next 10 years to levels 15 percent below those produced in the year 2005.

Building on a less detailed strategy issued two years ago, the plan comes as Congress has been unable to produce a climate bill to address the same issues.

The document includes the first details of how the carbon auction would work, and it recommends that offsets from programs that store carbon would be limited to a fraction of total emissions. There would be a floor price on emissions, and the auction would be open to anyone.

So far, only two states -- California and New Mexico -- and three provinces -- Quebec, Ontario and British Columbia -- are writing regulations in anticipation of joining the Western regional carbon auction when it begins in 2012, said Michael Gibbs, California's deputy secretary for climate change and co-chairman of the initiative.

The two states and three provinces account for 70 percent of the emissions produced by the signers of the strategy, creating enough liquidity to get the cap-and-trade system up and running, said Robert Noel de Tilly, climate change adviser for Quebec's Ministry for Sustainable Development, Environment and Parks.

An economic analysis estimated that fuel savings would offset the cost of investing new more energy-efficient equipment to meet limits on carbon production, Gibbs said.

Jim Whitestone of the Ontario Ministry of Environment said the coalition hopes the cap-and-trade system will serve as a model for the United States and Canada governments.

[SOURCE](#) [1]

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