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## **POLICY: While it may be burdened with debt, the next administration is rich in advice on climate change**

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With less than a week until Election Day, there's a flood of new reports offering advice to the next administration and promoting the cost benefits of cutting carbon emissions.

Perhaps the most direct recommendations came this week from the nonpartisan Clean Air-Cool Planet, which put together 25 steps for the next president to enact on global warming after interviewing 40 experts on both sides of the political aisle. While emphasizing the importance of a cap-and-trade scheme, the group also pushes for actions such as reallocating budget priorities and putting a climate team in place before Nov. 4.

"The role of the president will be to reframe the public's understanding of climate issues and to emphasize that climate policy and economic policy are not separate themes," the [report](#) says.

One way to do that and keep the issue high on the agenda, according to the organization, is to hold a national summit on climate and energy within three months of Inauguration Day in the same way President-elect Bill Clinton held a public meeting on the economy in 1991.

In its new report, "Carbon Counts," the Environmental Defense Fund [argues](#) that federal agencies need to include the benefits of cutting greenhouse gases in their economic assessments of regulations.

Under current law, a cost-benefit analysis of all "legally permitted" rules must be conducted. Too often, though, "the benefits of greenhouse gas emissions reductions have been neglected or altogether omitted in policy development," wrote EDF's Martha Roberts and Nancy Spencer.

This is true, they said, even though the Environmental Protection Agency recently reported that a "rigorous" economic analysis must take carbon into account. As one example of the problem, the report points to the Department of Energy's 2007 standards on furnace efficiency, which did not include a cost-benefit examination of lowering

greenhouse gases, even though the federal government touted a carbon-friendly policy to the media.

### **Advice on the rest of the world, too**

Meanwhile, the consulting giant McKinsey & Co. is providing a spotlight on the rest of the world, noting in a [new study](#) that developing countries could cut their energy demand in half over the next 12 years simply by implementing existing energy efficiency technology. That amount is equivalent to the entire energy consumption of China today, says the company's economics research arm.

To achieve the cuts, McKinsey first recommends the reduction of energy subsidies to reduce road transportation, particularly in the Middle East, Venezuela and Mexico. It also calls for implementing efficiency standards on products, rewarding utilities for saving energy rather than producing it and encouraging more collaboration between governments and businesses to finance initiatives.

With developing countries expected to contribute 80 percent of global energy demand growth by 2020, it's not an easy task. China alone is expected to drive much of the surge, with an expected jump from 16 percent of global energy consumption currently to 26 percent in the next 12 years.

McKinsey emphasizes, though, that it's cheaper in the long run for countries to invest in efficiency measures such as putting more insulation in buildings and building less-polluting cars. Citing figures from the International Energy Agency, the company says it will eat up almost a trillion more dollars to comply with projected electricity and transportation demands the old way, even if the initial investment in efficiency will require more up-front cash.

The report points to some steps that wouldn't be that painful financially, such as a potential focus on dense urban planning, which alone could cut future energy demand by as much as 20 percent in growing cities.

There are also small success stories, it says, like the China "refrigerator project" that used nonprofit funding to train personnel to build low-energy refrigerators and educate consumers. As a result, the appliances constitute about 20 percent of the refrigerator market and are projected to use 40 percent less electricity over the next 10 years than other models.

"For businesses, energy productivity offers not just lower energy costs but also rich commercial opportunities," the report says.