Cap-and-Trade Proponents Look Longingly at New England

Local News

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Seattle, WA - So far, the U.S. Senate and the Washington Legislature have each held up on creating cap-and-trade systems to curb carbon pollution. In the Northeast, however, it's a different story. "Reggie" is up and running. The Regional Greenhouse Gas Initiative (RGGI) includes 10 states from Maryland to Maine. They put a cap on how much carbon can be generated by electric utilities, then auctioned off permits for the right to pollute. The permits can be bought, sold and traded on a market-based system.Peter Shattuck watches carbon markets for Environment Northeast. He says RGGI has already begun to cut emissions and raise millions for developing cleaner forms of energy. "It's showing that cap-and-trade can work, that the sky does not fall down. Electricity prices have actually come down since the start of the program, which is not exclusively due to RGGI, but is encouraging."

The U.S. House passed a climate bill that includes cap-and-trade more than a year ago, although unlike RGGI, many of the emissions credits would initially be given away instead of auctioned off. Shattuck thinks that could reduce the system's effectiveness at reducing emissions.Cap-and-trade opponents say the systems are costly to implement, and bad for business and consumers. But Jessica Finn Coven, an energy policy specialist for Seattle-based Climate Solutions, believes the benefits make cap-and-trade worth a closer look, especially in this economy."The budget crisis is the reason we should be doing something like this. You know, in 2008 Washington state spent over $16 billion importing fossil fuels. That's all money that we could invest in our economy and creating jobs here, for Washingtonians."Finn Coven says Washington could start its own system as soon as 2012 if lawmakers could agree on it; or the state could be part of a regional system through the Western Climate Initiative. Either way, she adds, it will take some political will, and the success of RGGI could convince skeptics that it's worth a try.