

## Supporters: Climate efforts will survive state's withdrawal

By Darren Samuelsohn  
POLITICO Pro

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Conservatives claimed a big scalp Thursday when New Jersey Gov. Chris Christie exited the country's only up-and-running regional global warming compact.

But critics of cap and trade should probably hold off on any end-zone dances.

More than a dozen states from California to New York remain committed to market-based climate policies like cap and trade, an idea originally championed by Republicans.

And even the Garden State governor's move isn't necessarily permanent.

Environmental group lawsuits, the state legislature and Christie's inevitable exit from Trenton — whether at the hands of voters, term limits or the presidential campaign trail — mean New Jersey could still find its way back into the Regional Greenhouse Gas Initiative.

"There's no question the people who don't want to do anything about this issue will point to this as a major victory," said Eileen Claussen, president of the Pew Center on Global Climate Change. "Whether it means anything beyond that circle of people who don't want to do anything on this, I don't think so."

Because New Jersey is the first state to leave RGGI since it started operating in 2008, the move raises a number of issues about the future of both regional and national climate policy.

Here's a quick spin through several of the most pressing questions:

### **Is Christie's decision final for New Jersey?**

Far from it.

While Christie will spend the rest of the year exiting RGGI using his executive powers, multiple avenues remain to stop him.

"I'm still not convinced New Jersey is going to end up pulling out," said Franz Litz, a senior fellow at the World Resources Institute and former top RGGI official at the New York Department of Environmental

Conservation.

New Jersey's Democratic Senate president, Stephen Sweeney, said Thursday that the governor's move "can only cause harm to our state's environment" and urged Christie to reconsider.

"This day will go down in history as the one in which New Jersey ceded its standing as a leader in environmental protection efforts," added John McKeon, the Democratic chairman of the state Assembly's Environment and Solid Waste Committee.

McKeon said he will take "whatever legislative steps that may be possible to prevent this from happening."

On background, state officials conceded that Democrats lack the supermajorities necessary to override a Christie veto. But they said public pressure could make a difference, especially if Christie opts to run for a second term in 2013.

Environmentalists are also expected to challenge Christie's authority in state court.

And while Christie has repeatedly denied interest in running for the GOP presidential nomination, some were reading the tea leaves in his move as perhaps a kowtow to the conservative base that votes in the 2012 primaries.

"Who knows what happens when there's a different governor, or this governor decides the revenue was actually nice to have," said Claussen, noting that New Jersey in 2010 used \$65 million in RGGI auction revenue to pay down its budget deficit.

### **Is RGGI dead?**

Not by a long shot.

The nine Northeastern and Mid-Atlantic states still party to the agreement to cut power plant emissions 10 percent by 2018 said Thursday that they'd spend the rest of the year figuring out what it means if New Jersey isn't involved.

They also said they were full-steam ahead with the next auction of emission credits June 8.

Many of New Jersey's neighbors were still far from pleased to hear the news.

Maryland Democratic Gov. Martin O'Malley called Christie "simply wrong when he claims that these efforts are a failure."

Connecticut Democratic Gov. Dan Malloy said the move "reflects the kind of policymaking that must

change if we are to move forward as a nation, take control of our energy future, and lead the way towards energy independence."

With help from conservative groups like the Koch brothers' Americans for Prosperity, state lawmakers in several other RGGI states have been trying to move legislation to get out of the compact.

To date, only New Hampshire's efforts have gotten traction, with the GOP-led House adopting legislation to exit the program while the state Senate opted for a compromise that would allow it to leave if another big Northeastern power producer also left. The two bills have not yet been reconciled.

Maine lawmakers have also been considering legislation to pull out of RGGI, although its prospects don't look so good. The state's new GOP governor, Paul LePage, also has no plans to pull out of RGGI unilaterally.

"As far as the governor is concerned here, he doesn't believe the program is effective," LePage spokeswoman Adrienne Bennett told POLITICO. "However, we're in it and there's no beneficial reason for the state to pull out at this time because the ratepayer would not be receiving any benefit."

### **What about the other regional climate compacts?**

There's a mishmash of action.

Five Western states and four Canadian provinces are still on track to participate next year in their own regional program to reduce emissions 15 percent below 2005 levels by 2020. They are California, Montana, Washington, Oregon and Utah, as well as British Columbia, Manitoba, Ontario and Quebec.

But not everyone who once signed up for the Western Climate Initiative is still on board.

Republican Arizona Gov. Jan Brewer signed an executive order last year to exit. New Mexico GOP Gov. Susana Martinez is also trying to pull out, though her efforts face administrative and judicial hurdles.

Meanwhile, California is still struggling to get its programs in place.

Voters last November rejected a ballot initiative seeking to kill the state's landmark global warming law. But the program remains in limbo as environmental justice groups have found some recent success in state court challenging California's rationale for picking a cap-and-trade program as a principal implementation measure.

Two years ago, Midwestern governors had their own grand climate ambitions, a cap-and-trade program covering every sector of the economy except waste, forestry and agriculture.

But the governors of Iowa, Illinois, Kansas, Michigan, Minnesota and Wisconsin put their ideas on ice

just before November's elections, and big GOP pickups mean the program is dead for some time to come.

Scott Segal, an electric utility and oil industry lobbyist at Bracewell & Giuliani, said Christie's move Thursday underscores a broader criticism of climate policy: that action should come from the world leader level.

"Global climate change is an international phenomenon," he said. "National policy can do little to make a dent. Regional policy has always been essentially symbolic. It imposes costs without securing any benefit."

### **What about the EPA?**

Federal climate policies might yet open another door for states to step to the plate.

The EPA is planning to propose a greenhouse gas rule in July — with final action in May 2012 — for the electric utility industry. Among other things, it is expected to put states in charge of coming up with emission reduction measures for their existing plants.

Some states, industry officials and environmentalists have suggested to EPA that they let the states use RGGI's requirements as a baseline. After all, the program includes ready-made emission limits, timelines and other key policy goals.

So while Christie may have dealt a symbolic blow to the regional program, WRI's Litz argued that it is far from dead. "What you might see here," he said, "is RGGI getting a new lease on life from these EPA rules."

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