



## Summary of S. 1733, the Clean Energy Jobs and American Power Act aka Kerry-Boxer Cap and Trade Bill

The Sept. 30th draft of the Kerry-Boxer bill is based on the Waxman-Markey House passed version, however it has major differences that make it more stringent and costlier. It would establish a cap and trade program to limit CO2 emissions from the combustion of fossil fuels and contains elements that single-out oil and gas production. Contact Brian Johnson at 202-785-0266 or [bjohnson@atr.org](mailto:bjohnson@atr.org) for more information.

### Emissions Goals:

- 2012- 3% below 2005 emissions
- 2020- 20% below 2005 emissions (tighter than the 17% in HR 2454)
- 2030- 42% below 2005 emissions
- 2050- 83% below 2005 emissions

### Free Allowances:

- Fuel Producers and importers
  - An allowance allocation program is established for “domestic fuel production”
  - The quantity of free allowances is not specified and there is no reference to a separate allocation for small refiners
  - The Small Business Refiner Reserve is retained but the quantity of allowances is not established. Allowances would be available at the average auction price
- Any electricity source
  - Free allowances are not specified
  - Allowances for cogeneration entities limited to those powered 80% by coal and petroleum coal
- Industrial Stationary Sources and Industrial Fossil Fuel-Fired Combustion Devices
  - *Petroleum refining is not an “eligible industrial sector” for free allowances*
  - Free allowances also not specified for Natural Gas Local Distribution Companies

### International Competitiveness:

- Rebates available for domestic eligible industrial sectors for costs incurred. Amount of allowances or rebates are not specified
- *Petroleum refining sector is specifically excluded from being an eligible sector*

### Cost Containment:

- Limits are placed on availability of allowances
- Minimum Stability Reserve Auction price is set at:
  - \$28 in constant 2005 dollars for auctions in 2012
  - From 2013-2017 it would be the previous year’s price plus inflation plus 5%
  - In years thereafter it would be the previous year’s price plus inflation plus 7%
- Minimum allowance price for auctioned allowances of \$10

722 12<sup>th</sup> Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

[www.atr.org](http://www.atr.org)