

Select Committee on Energy Independence and Global Warming

“Preparing for Copenhagen: How Developing Countries Are Fighting Climate Change”

March 4, 2009

9:30 am

210 Cannon House Office Building

Witness Questions for the Record

Questions for all witnesses:

- 1) Can we see meaningful reductions in global emissions without significant emissions reductions from developing countries?
- 2) If Congress crafts legislation to place mandatory restrictions on carbon emissions, how do you envision such a bill interacting with an international protocol? Should Congress pass a bill without provisions that require international participation, and if so, how can Congress craft legislative language that will not be ruled illegal by the WTO or instigate global carbon trade wars?
- 3) As a carbon-free source of energy, do you believe nuclear power needs to be a part of the solution?
- 4) As you know, deforestation heavily contributes to global greenhouse gas emissions. How can an international framework properly address emissions due to deforestation, particularly when measuring emissions from deforestation is so difficult?
- 5) If there is not a final protocol agreed to at Copenhagen, then what?
- 6) Even if developing nations agree to emissions caps, varying policies and carbon prices will inevitably lead to leakage. How can the United States ensure the long-term vitality of our economy when facing leakage?
- 7) The February 1 edition of the India newspaper, *The Economic Times* quoted IPCC Chairman R.K. Pachauri as saying “negotiations are going on for the conference of parties at the Copenhagen where we will have a multilateral worldwide agreement . . . Of course, the developing countries will be exempted from any such restrictions but the developed countries will certainly have to cut down on emissions.” And January 29th’s issue of the *Financial Times* quoted top U.N. climate change bureaucrat Yvo de Boer as saying: “I don’t think developing countries will accept binding targets.” What are your reactions to these statements, and what do they portend for this year’s negotiations?

Questions for Mr. Lane

- 1) In your testimony, you highlight the ongoing problems with China's lack of adherence to WTO standards. Based on China's previous actions, is there a reason to believe that China will respect its obligations and commitments under a UNFCCC treaty?
- 2) Do you believe carbon tariffs, energy subsidies, or similar policies would be permitted by the WTO? Do you anticipate extensive challenges from competing countries?
- 3) How large a transformation in the global economy is entailed by the task of stabilizing greenhouse gas levels in the atmosphere?
- 4) Given the fact that stabilization of climate entails a complete rebuilding of the entire planet's energy system -- and the infrastructure that surrounds and supports it -- how long have such large scale transformations required in the past?
- 5) From your perspective, what is the biggest obstacle to a comprehensive international treaty?

6) **Questions for Ms. Finemore**

- 1) Despite China's aspirational goals and targets, will China's absolute greenhouse gas emissions rise or fall?
- 2) How does China's energy intensity compare to the United States?
- 3) China is known to have many other environmental problems outside of greenhouse gas emissions. How does the Chinese government allocate resources between basic environmental and health issues, such as providing clean water and eliminating smog, with the goal to reduce carbon emissions?
- 4) Have you examined how China's renewable energy law will affect the price of electricity? As China brings on renewable energy, specifically wind, to their energy grid, are there any lessons that the United States can apply to the siting of our own renewable energy and transmission?
- 5) Is China capable of fully measuring all of their emissions? How can they be held accountable to the standards and goals the government is setting?
- 6) How do provincial governments play a role in China's National Action Plan? Are those governments held accountable to meet national targets? What are the repercussions for regional and local governments if they do not execute the national government's five-year plan?
- 7) An oft repeated criticism of the Chinese government is its penchant for pirating various technologies without reimbursement to the rightful owners. In your role as president of the China-U.S. Energy Efficiency Alliance, how do you "promote technical exchanges between U.S. and Chinese government officials, utilities and energy experts" while at the same time ensuring the protection of American intellectual property in the technologies shared by the US with the Chinese?

Questions for Mr. Roberts

- 1) Despite China's aspirational goals and targets, will China's absolute greenhouse gas emissions rise or fall?
- 2) How does China's centrally-planned economy influence its ability to reach national goals, such as its renewable energy standard? Do you think the United States' economy should become centrally planned?
- 3) It is important to highlight the role deforestation plays in total emissions, but recent reports state that deforestation has continued to rise sharply in Brazil. Is there a way to accurately measure deforestation rates in Brazil? How can the Brazilian government actually enforce the problem?
- 4) What are the most significant barriers to technology transfer to help developing countries become more energy efficient?
- 5) With a limited pool of funding, which is more important to fund, adaptation measures or mitigation measures?
- 6) You speak of developing countries' recognition of and leadership in addressing climate change issues. Yet, from India and China and Brazil and others, the governments and representatives of these countries have come out and said that developed countries, such as the US, are expected to fund a significant percentage of their costs, with China even going so far as to say they expect us to redistribute over 0.5% to 1% of our annual GNP. In the **VERY** likely event that the US is unwilling to mail these countries an annual check of around \$200 billion dollars by 2020, what is your assessment of the likelihood of these countries continuing to aggressively pursue an agenda of reduced energy output?
- 7) Who established these countries' (China, Mexico, Brazil, India, Philippines) renewable energy standard (RES)? While extremely commendable, considering that they are all well on the way to being met, is it possible that some of the countries established standards that they knew they would meet anyway, based on activities planned a long time ago?

Questions for Mr. Helme

- 1) Despite China's aspirational goals and targets, will China's absolute greenhouse gas emissions rise or fall?
- 2) You note extensive aspirational goals by various developing countries, which would be unilateral reductions in emissions. Without mandatory, legally verifiable restrictions, how can developed countries have faith that the developing countries will actually follow through on their commitments?
- 3) How do you suggest that the international community holds all nations accountable to reach their mandatory levels of emissions? How would countries that don't meet their levels be penalized? Will countries that don't reach their Kyoto targets face more stringent levels under a new protocol?
- 4) Considering the challenges the U.S. would face domestically with meeting emissions limits, do you think it would be a wise decision to dedicate a funding stream to international projects from revenue generated by auctioning permits? Given the uncertain amount of revenue from such an auction, what level of international funding would you advocate? A certain percentage? A specific dollar amount?
- 5) How do you account for different long-term goals based on growth rates? Is there a threshold at which point some non-annex I countries will need to have the same emissions targets as annex I countries? How do you account for long-term economic changes over 41 years (till 2050)?
- 6) Would proposals to subsidize companies for energy costs and other border trade adjustments withstand WTO challenges? Is there a practical way to avoid WTO challenges and an accompanying carbon trade war?
- 7) Wouldn't agreement to REDD and adaptation measures prior to a comprehensive treaty hurt the United States' negotiating position?
- 8) Does the Clean Development Mechanism (CDM) work? Given that trade in CDM credits has generated about \$32 billion in 2008, it is not clear that it's contributing to reducing emissions. Moreover, there are ample examples of projects and countries receiving credit by CDM for work that was already going to be done anyway, thus making these CDM credits an unexpected bonus.