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# BACKGROUNDER

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## National Energy Policy Act of 1992 Summary of Provisions Relating to Global Climate Change

The National Energy Policy Act of 1992 was sent to The White House and signed by the President in October 1992. Title XVI of the Act establishes a national policy on global climate change. Legislators took a positive, proactive approach to the climate change debate, establishing a research agenda that should significantly improve the information now available to policy makers. The legislation reflects the concern by many members of Congress that too little is known about climate change science and the economic costs of climate change regulations. The title on global climate appropriately emphasizes further research and studies, in addition to voluntary actions by industry.

Following are highlights of the National Energy Policy Act as it relates to global climate change.

#### Global Climate Change Report

Section 1601 requires the Department of Energy (DOE) to submit a Global Climate Change Report to Congress within two years. The report will assess the feasibility and economic, energy, social, environmental, employment and competitive implications of greenhouse gas stabilization and emissions reduction scenarios.

The Global Climate Change Report also will assess the recommendations made by the National Academy of Sciences in its 1991 report, "Policy Implications of Greenhouse Warming," including an analysis of the associated benefits and costs, and the extent to which the United States is acting on those recommendations in comparison with other countries.

The following assessments will also be in the report: feasibility of reducing carbon dioxide emissions by 20 percent from 1988 levels by 2005; the feasibility of reducing the generation of greenhouse gases; and the impact of the Framework Convention on Climate Change on the United States.

### **Least-Cost Energy Strategy**

Section 1602 requires DOE and the president to include a "least-cost energy strategy" in future National Energy Policy Plans. The strategy will aim to achieve more efficient energy use, stabilization and eventual reduction of greenhouse gases, increased use of renewable, and a reduction in U.S. oil consumption. In developing the least-cost energy strategy, DOE must weigh the economic, energy, social, environmental and competitive costs and benefits (including the impact on jobs).

#### **New Position: Director of Climate Protection**

Section 1603 requires the DOE to establish a director of climate protection to serve as a representative for all executive branch work on global climate change.

#### Alternatives to Emissions Reductions

Section 1604 requires the President to assess alternative policies to reduce greenhouse gas emissions, including emissions caps and federal energy efficiency standards for major emitters.

#### **Inventory and Voluntary Reporting of Greenhouse Gases**

Section 1605 instructs the DOE to estimate baseline greenhouse gas emissions for 1987 through 1990. This national inventory of greenhouse gases, based on data currently available to or obtained by DOE, must be updated annually. DOE is not given any new authority for collecting data.

Section 1605 also calls for voluntary reporting of greenhouse gases. DOE will issue guidelines for the voluntary reporting of data on sources of greenhouse gases by individual emitters. These guidelines will establish procedures for accurately reporting information on: (1) greenhouse gas emissions for the baseline period of 1987 through 1990 and for subsequent calendar years annually; (2) annual reductions of greenhouse gas emissions achieved through any measure; and (3) reductions in greenhouse gas emissions through voluntary actions, plant or facility closings, and state or federal requirements.

#### **Technology Cooperation**

Section 1607 requires the DOE to develop programs to encourage the export and promotion of domestic energy resource technologies. Section 1608 establishes a technology transfer program through the Agency for International Development (AID). This program has been authorized for \$100 million for 1993-98.

#### **Treasury Fund**

Section 1609 requires the Treasury Department to establish a fund (authorized at \$50 million in 1994) to assist global efforts to adapt and respond to climate change.

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