**Obama’s agenda: EPA leading the charge on climate change**

By: Erica Martinson – Politico - January 31, 2014

President Barack Obama’s environmental regulators will spend the rest of this year writing climate rules that would reshape the nation’s electricity supply, throw a cloud over the future of coal power and take the biggest stride ever in throttling the nation’s greenhouse gas pollution.

And that’s just the beginning.

While the EPA takes on carbon pollution from thousands of power plants, the State Department is moving to carry out Obama’s orders to cut off funding for many coal projects overseas. The president’s agencies are also financing giant solar farms in the Mojave desert, working on doubling the federal government’s own reliance on green electricity and coming up with ways to help states gird their roads and bridges against severe storms and rising seas.

This is hardly a secret agenda. Obama has spoken of it proudly, most recently in Tuesday night’s State of the Union address, when he said: “Climate change is a fact. And when our children’s children look us in the eye and ask if we did all we could to leave them a safer, more stable world with new sources of energy, I want us to be able to say yes, we did.”

But some of the administration’s climate work is taking place under the radar, in ways few Americans would notice until the impacts ripple through the economy. One example: Last year, the administration quietly rejiggered a wonky calculation known as the “social cost of carbon” in a way that will make it easier to justify the economic burdens of a wide range of climate regulations.

The regulators are racing the calendar to get the rules in shape to take effect before Obama leaves office. That will be no easy feat, especially with the opponents in industry and coal-friendly states already fighting in the courts and Congress to thwart the new regulations.

But Obama and his “green Cabinet” — the secretaries and administrators in charge of energy, the environment and public lands — also have their eyes on 2015. That’s when the U.S. and other countries face a deadline to craft a legally binding agreement committing the world to reducing carbon dioxide emissions.

The president’s team is convinced that the U.S. must lead by example if it hopes to get China, India and Russia to follow suit, but the only hope of doing that is through the executive branch’s actions. By showing that his administration has taken concrete action, Obama can wipe out some of the embarrassment the U.S. suffered in international climate circles after rejecting the 1997 Kyoto climate accords.

The president made it plain in last year’s State of the Union that he wouldn’t wait for lawmakers to tackle climate change, proclaiming that “if Congress won’t act soon to protect future generations, I will.” But in fact, the administration’s climate efforts have been in motion since the start of his first term.

The administration’s major climate effort is a pair of EPA regulations aimed at cutting carbon pollution from power plants. The EPA proposed the first rule, aimed at future plants, in September and must finish writing it by January 2015. This June, it’s due to release the draft of a rule for the nation’s thousands of existing power plants — the agency’s main target and the single largest source of U.S. greenhouse gas pollution.

The genesis of these rules dates to Obama’s first term, even before the attempt to tackle climate change through cap-and-trade legislation died in the Senate. In 2009, the EPA made a crucial legal determination that carbon dioxide is a pollutant, allowing it to begin regulating the greenhouse gas under the Clean Air Act. It started by regulating carbon emissions from cars.

In a 2010 legal settlement with environmentalists, the EPA agreed to regulate greenhouse gases from both new and existing power plants, followed by oil refiners. But those won’t be the end of the EPA’s efforts.

Manufacturers — who use one-third of the nation’s energy — are particularly concerned they’re next on the agenda, said National Association of Manufacturers Vice President Ross Eisenberg. He rattled off the list of manufacturing industries that he thinks EPA will take on, including the production chain for natural gas, refineries, chemicals, iron and steel, forest and paper.

“If the rules on coal are any indication, EPA will not be particularly friendly to them,” Eisenberg said at an event earlier this month hosted by the coal industry, noting that the Clean Air Act “is relatively unforgiving.”

Republicans have tried repeatedly to hobble the EPA’s climate powers through budget riders and other legislative gambits, with little success. But the GOP has found a potentially much more promising avenue in court, using an obscure provision of a major 2005 energy law that could undermine the agency’s technical rationale for the rule. The EPA and the White House were caught off-guard by the provision, which they didn’t identify in an interagency review of regulations last summer, then were surprised when the state of Nebraska filed a pre-emptive lawsuit this month against the future-power-plants rule.

While that fight plays out in court, congressional Republicans are accusing the administration of being underhanded in the way it drastically increased its estimates of the “social cost of carbon.”

The “social cost” estimate is the result of modeling that seeks to determine the costs society will face from coastal erosion, drastic storms, droughts and other problems caused by climate change. It essentially aims to break down the societal cost per ton of carbon pollution.

The Obama administration announced last year’s changes to the social-cost model on page 409 of Appendix 16A of an Energy Department technical document for a regulation on microwave ovens. Its previous revision in 2010 had come in a similar obscure form — Appendix 15A of a DOE energy efficiency standard for small motors, according to the Center for Progressive Reform’s Frank Ackerman. (Environmentalists had criticized the 2010 estimate for being too low.)

GOP lawmakers have repeatedly harped on what they see as administration secrecy in the recalculation, and have demanded that the EPA, DOE, the White House and the Office of Management and Budget provide more details about who was involved. The Government Accountability Office is investigating the process at the request of Rep. Duncan Hunter (R-Calif.).

Other parts of the administration are also working on the many-faceted climate plan that Obama laid out in his Georgetown speech. The EPA, for example, is working with DOE and other agencies to find ways to limit emissions of methane, an intense greenhouse gas whose sources include leaks from natural gas drilling and pipelines.

The State Department has taken measures to stop overseas funding of coal-fired power plants that fail to capture carbon emissions, although Republicans managed to impose challenges to those rules through a rider in this year’s stopgap spending bill.

The Energy Department is pursuing tougher efficiency standards for appliances like computer servers, and has reopened a George W. Bush-era loan guarantee program aimed at cutting fossil fuels’ greenhouse gas emissions.

And earlier this month, Obama ordered an administration-wide exercise called the Quadrennial Energy Review that will require agencies across the executive branch to coordinate their energy policies, including those affecting climate change.

Independent agencies like the Federal Energy Regulatory Commission have also made moves that mesh with Obama’s policies. Under former Chairman Jon Wellinghoff, FERC began requiring operators of the nation’s electric grid to make it easier to incorporate wind, solar and hydropower into the nation’s power supply.