



Biden Administration Commits to National and International CO2 Reductions at Climate Summit

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President Biden celebrated Earth Day by announcing his Administration's goal to decrease CO2 emissions by 50-52% from a baseline of 2005 by 2030. While that undoubtedly is an aggressive goal, remember that the prior Paris Accord commitment was to reduce CO2 emissions by 26-28%. The real commitment is an additional 24% reduction from 2005. Coal unit retirements alone are projected to meet the initial Paris 26-28% CO2 reductions. Additional coal retirements and fuel switching to natural gas should achieve a large portion of the President's additional commitment. While not yet a complete replacement for coal and natural gas electricity generation, 39.7 gigawatts (GW) of new electricity generating capacity will start commercial operation in 2021, reference a [chart](#) issued by the U.S. Energy Information Administration (EIA).

The new CO2 reduction commitment does not change the President's prior pledge to achieve zero CO2 emissions from the power sector by 2035 and net-zero CO2 emissions from the American economy by 2050 as set forth in his [Executive Order](#) on Tackling the Climate Crisis at Home-and Abroad.

Sec. 201. Policy. Even as our Nation emerges from profound public health and economic crises borne of a pandemic, we face a climate crisis that threatens our people and communities, public health and economy, and, starkly, our ability to live on planet Earth. Despite the peril that is already evident, there is promise in the solutions — opportunities to create well-paying union jobs to build a modern and sustainable infrastructure, deliver an equitable, clean energy future, and put the United States on a path to achieve net-zero emissions, economy-wide, by no later than 2050.

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Sec. 205. Federal Clean Electricity and Vehicle Procurement Strategy. (b) The plan shall aim to use, as appropriate and consistent with applicable law, all available procurement authorities to achieve or facilitate:

(i) a carbon pollution-free electricity sector no later than 2035;

Very few specific details were provided as to how the 50-52% CO2 reduction commitment will be achieved. In Biden's speeches at the Climate Summit he recognized that industry is the linchpin of these reductions, but noted that it is time for government to partner with industry and contribute significant capital to achieving the technical transformation to convert our economy to one that runs on low/zero carbon electricity. This transformation must dramatically improve existing solar, wind, battery, transmission and demand side management ("DSM") to make these sources always available, stable and reliable sources of electricity at levels to power the grid.

"But the [private sector](#) has more it can do and must do. Let's be clear: Even then, the private sector can't meet these challenges alone. Governments need to step up and they need to lead."

"Invest in [infrastructure and innovation](#). America must lead the critical industries that produce and deploy the clean technologies that we can harness today – and the ones that we will improve and invent tomorrow."

In addition to the expressed need to partner with industry, the commitment also acknowledges the role that [state and local efforts](#) must have.

"The target builds on leadership from mayors, county executives, governors, tribal leaders, businesses, faith groups, cultural institutions, health care organizations, investors, and communities who have worked together tirelessly to ensure sustained progress in reducing pollution in the United States."

States like California and Virginia have adopted very aggressive laws to force massive levels of new solar, wind, battery storage, DSM, Renewable Portfolio Standards ("RPS") and Electric Vehicle ("EV") programs. There are CO2 emissions trading programs in California and the Northeast and Mid-Atlantic. Each market may project significant permanent CO2 emissions reductions, but, for many reasons, market-based programs likely will not achieve permanent CO2 reductions. Only new, robust, utility-scale, available, reliable, renewable-driven electricity markets can. It is also uncertain how much permanent CO2 emissions can be achieved by raising the cost of fuel, imposing higher fuel efficiency standards, and mandating use of EVs. The Administration may be counting on initiatives from California, Virginia and other state climate programs to coincide with or supplement federal efforts.

In a separate [speech](#), the President also laid out an ambitious plan to contribute to efforts to reduce CO2 abroad. The plan includes significant increases in public financing for developing countries geared toward reducing emissions.

"But the truth is, America represents less than 15 percent of the world's emissions. No nation can solve this crisis on our own, as I know you all fully understand. All of us, all of us — and particularly those of us who represent the world's largest economies — we have to step up."

Williams Mullen's climate lawyers will continue to monitor and report on developments on a real time basis. We expect to see EPA begin work on a detailed agenda to impose stringent limits on CO2 emissions from industry and transportation.

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